

CHAPTER 1

INTRODUCTION

1.1 Background of The Study

Nowadays, there is a lot of competition in the business world along with the increasing number of businesspeople who also want to fulfill and satisfy consumer needs in providing products and services. Moreover, globalization encourages business actors to face and follow world changes. Therefore, the company must continue to maintain its business in the future with the company's strategy.

Corporate strategy is a plan used by a company comprehensively to maintain the company's position and help the company achieve its goals. Of course, companies must also be clever in developing strategies that are linked to the company's environment. Through the company environment, companies can find out their strengths and weaknesses so that companies can cover their weaknesses with various strategies.

A marketing strategy is a strategy used by a company to determine marketing targets to satisfy its customers. Marketing is an activity in determining the type of product, the quantity to be marketed, the distribution method, the price set for the product, and the form of promoting it. The marketing process will occur if a company provides goods or services to consumers to make a profit, and consumers are satisfied by the product or service and provide rewards in the form of money.

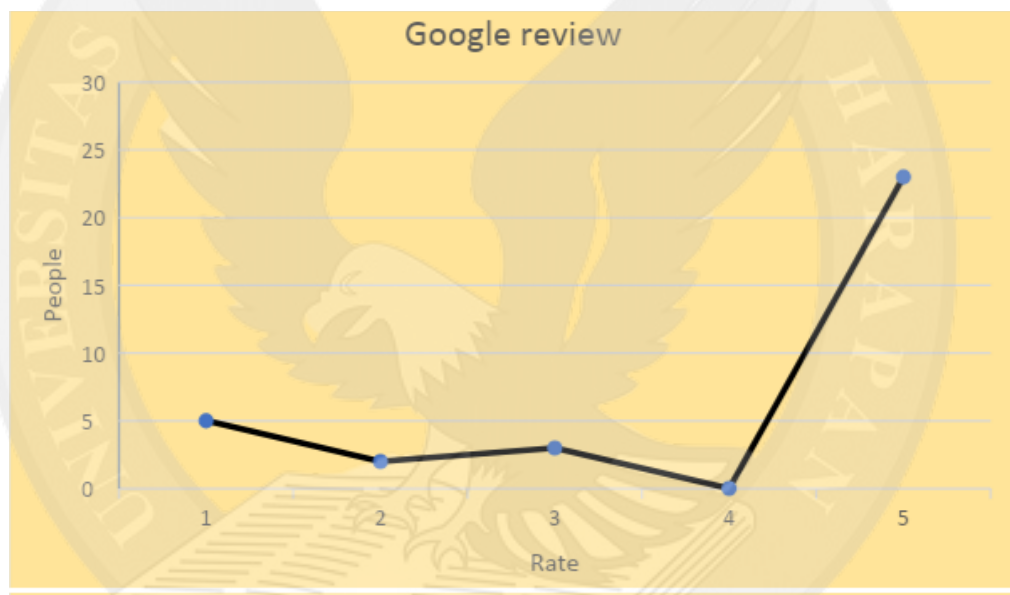
One of the marketing strategies used by companies as a foundation and main capital for business is the marketing mix strategy. A marketing mix strategy is a strategy used by companies to combine various marketing activities to increase sales and produce the desired response from the target market. Marketing mix strategies can also create value for customers if the goods or services provided by the company satisfy customers.

Of course, to satisfy customers, companies also need good service quality. Service quality is essential for a company to succeed because it is related to customer satisfaction, increasing the company's profits. The better the quality of service a company provides, the higher the level of customer satisfaction, which will increase the company's value. Conversely, if the quality provided by a company is not good or unsatisfactory for customers, the company's value will decrease or be considered less qualified.

PT Jaya Mandiri Bangunan also known as Sukses Bangunan is a company that distributes building materials. PT Jaya Mandiri building was founded in 2000 and is located at Jalan Binjai KM. 12,8 No. 7 Medan, North Sumatra. This company sells various building products such as ceramics, paint, water heaters, plumbing, and doors. This company sells and distributes its products to building shops in Medan and around Medan.

This company has the vision of becoming the most significant building materials distribution company in the Medan area. The mission of this company is to market good quality products, provide good service to customers, and develop the company to improve employee welfare.

Customer satisfaction is one of the key successes of organizations that provide products or services to offer. Customer satisfaction refers to the customer's expectation of how the company provides products and services to meet customers' needs. Customer satisfaction is a function of expectation and perceived performance where the consumer believes about the company product or service experience. In contrast, consumer expectation is sourced from reviews or recommendations from others, marketer promises, or experience (Ali, 2020).



From Figure 1.1 above, some of the customers are satisfied with the company product, service, and price that has been offered. But some of the customers are also complaining about the company's employee attitude.

Marketing mix is also an important strategy for companies to implement. According to Aditya, et al (2021), customers will feel satisfied if the evaluation results show that the product the customer uses is of high quality. The price of the product and service can also greatly influence perceptions of quality and

satisfaction. Promotions carried out must have an attraction that can attract the attention of customers, such as providing discounts at the end of the month or promotions that provide information as a basis for customers in making offers, such as information on food prices that are different from other foods that have more affordable prices. According to Paga & Hatidja (2022) the location of the company or service delivery where payment is made. A comfortable and spacious distribution area also influences the level of customer satisfaction where the level of comfort and safety becomes an added value for customers. According to Fitriyani & Lestari (2022), Service quality is the second main key because the best service adds value and is a profit strategy to increase more new customers, companies must be able to create special advantages that do not only compete in terms of price. If the service received or felt is following what the customer expects, then the quality of service can be perceived as good and satisfactory.

The company's products are less complete than those of competing companies, such as the shower offered by the company is just an ordinary shower, while other companies offer showers that are more sophisticated and aesthetic than those sold by the company. Apart from that, the company also only sells products with certain brands, so consumers who want to look for paint with the brand they want cannot find them. This will of course make consumers disappointed when shopping at the company and of course can reduce the satisfaction of company consumers.

Table 1.1
Price Comparison Data

Product	PT. Jaya Mandiri Bangunan	PT. Bangunan Utama Kreasi
Keramik Merek Roman Size 40 x 40 (6 Kpg)	165,000	160,000
American Standard Kran TP0011	410,000	402,000
Water Heater Merek Ariston 10 L	1,450,000	1,385,500
Cat Merek Dulux AquaShield 20 KG	1,300,000	1,274,500

Source: Data processed, 2024

From the data above you can see several products available at PT. Jaya Mandiri Bangunan has higher prices compared to its competing companies. This of course will have an impact on consumer satisfaction where consumers will prefer products with cheaper prices because building materials even though they have a small price comparison, the need for building materials is quite large to build a house so this price will have an impact on consumer decisions. in purchasing products and will also have an impact on consumer satisfaction.

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The company's location is quite far from the city, which makes consumers lazy to go to the company to make purchases and some customers become dissatisfied because when they need building materials,

The company's location is quite far from consumers' reach. This of course has an impact on product delivery which takes longer to consumers in the center city of Medan. Apart from that, the company's location is on the Sumatra highway, where the road often experiences traffic jams and also frequently floods, which makes it difficult for consumers to reach the company's location.

Service quality is a service that shows how well the company's service can meet the customer's expectations. The service quality of the company is essential to be able to maintain customer satisfaction. Usually, when the customer has problems shopping or needs suggestions, the customer will immediately look for employees at the company (Customer Service) to discuss or receive information.

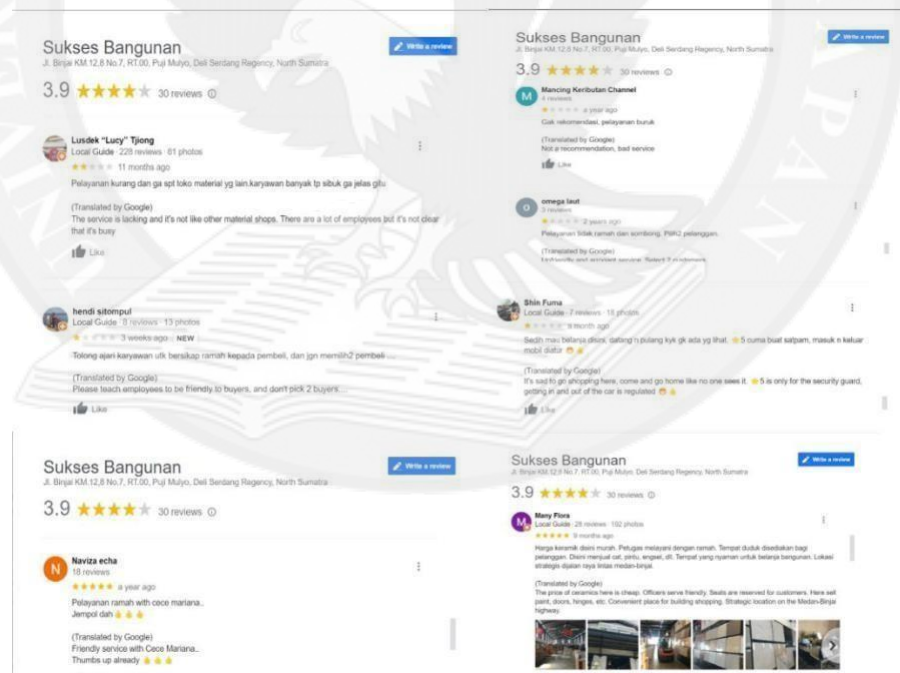


Figure 1.2 Customer complaint for sukses bangunan company
Source: Google.com

From Figure 1.2 above, several customers complained to PT Jaya Mandiri Bangunan about the service quality that the company has provided. Some of them said that the service from the company's employees was amicable and good at providing service. However, some customers also complain about the company's services, such as being less amiable, picky in serving customers, and arrogant.

Based on the background above, marketing mix and service quality are an important component for the company to achieve customer satisfaction. So, the writer is interested in researching “The Influences of Service Quality and Marketing Mix (Product, Price, Promotion, and Place) on Customer Satisfaction at PT Jaya Mandiri Bangunan”.

1.2 Problem Limitation

Due to the limitation of time and Budget, The Author decides that this final paper is limited to the Marketing Mix which is Marketing Mix was produced using Product (X_1), Price (X_2), Place (X_3), and Promotion (X_4). For the second variable is Service Quality (X_5) as an independent variable and customer satisfaction as the dependent variable. In addition, the writer would also limit the object of research, which is PT Jaya Mandiri Bangunan, Medan, located in Jalan Binjai KM. 12,8 No. 7 Medan, North Sumatra 20351, Indonesia.

1.3 Problem Formulation

According to the background of the study, the writer can formulate some research questions as follows:

- a Does the product have partial influence on customer satisfaction at PT JayaMandiri Bangunan?
- b Does price have partial influence on customer satisfaction at PT JayaMandiri Bangunan?
- c Does the place have partial influence on customer satisfaction at PT JayaMandiri Bangunan?
- d Does promotion have a partial influence on customer satisfaction at PT JayaMandiri Bangunan?
- e Does service quality have a partial influence on customer satisfaction at PTJaya Mandiri Bangunan?
- f Do product, price, place, promotion, and service quality have a simultaneous influence on Customer Satisfaction at PT Jaya Mandiri Bangunan?

1.4 Objective

According to the problem formulation, the objectives of this research are as follows:

- a To determine whether the product has a partial influence on customersatisfaction at PT Jaya Mandiri Bangunan
- b To determine whether price has a partial influence on customer satisfactionat PT Jaya Mandiri Bangunan
- c To determine whether place has a partial influence on customer satisfactionat PT Jaya Mandiri Bangunan
- d To determine whether promotion has a partial influence on customersatisfaction at PT Jaya Mandiri Bangunan

- e To investigate whether service quality has partial influence on customer satisfaction at PT Jaya Mandiri Bangunan
- f To analyze whether product, price, place, promotion, and service quality have simultaneous influence on customer satisfaction at PT Jaya Mandiri Bangunan?

1.5 Benefit of The Research

1.5.1 Theoretical Benefit

The benefit of this research for the writer is to increase the understanding of the influence of service quality and marketing mix to customer satisfaction at PT Jaya Mandiri Bangunan. They are expected to contribute to the existing theories, especially those relevant to service quality, marketing mix, and the influence on customer satisfaction.

1.5.2 Practical benefit

There are several practical benefits to doing this research:

- a Benefit for the writer

The writer's expectation for doing this research is to gain more knowledge about service quality, marketing mix, and customer satisfaction. By writing this research it assists the writer in learning more about the organization and gaining more knowledge from this research.

- b Benefit for the company

The result of this study can be used as input for the company under study by providing an overview of the influence of service quality and marketing

mix to customer satisfaction. This research can be used as a consideration for doing service quality and marketing mix to customer satisfaction.

c Benefit for other researchers

This research can be a reference or a guideline for researchers who study this subject regarding the influence of service quality and marketing mix (product, price, place, and promotion) toward customer satisfaction at PT Jaya Mandiri Bangunan.

