

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Purchase intention is a topic of critical attention to strategy creators and commercial experts, and it is vital to recognize which variables in a certain buyer group impact purchase intention (Halim and Hamed, 2022). It is considered to be a prime input that marketers utilize to project forthcoming sales (Morwitz et al., 2019) and manipulate actions to impact purchasing behavior. Purchase intention is consumer behavior when interested in buying a product or service (Khairunnisa, et al, 2020).

It has been known that one of the most crucial things faced by companies is to maintain their position and win the competition in the business. Companies must also find a way to make sure that their product is consumed well by customers, because this ultimately has an influence on their profit. The purchase decision process is the stage that surely will be gone through by customers when they determine the choice of a particular product or service (Levy & Lee, 2019). When customers decide to purchase a product, this will influence the position of the best product in the market, and imply how marketers can drive the growth of consumption, hence influencing the company's success

PT. Ria Sukses Mandiri is a company that produces plastics. PT. Ria Sukses Mandiri was founded by Mr. Thiam Seng. PT. Ria Sukses Mandiri was established in 2007 and is located on Jl. Sumber Amal no 48, Kedai

Durian, Medan Johor -II Medan. PT. Ria Sukses Mandiri provides various types of cup products, straws, tissues, gallon wipes, gallon covers. For brands tailored to customer demand. But for the brand only provides a Polytop for cups that are distributed to customers.



**Figure 1. 1 Polytop**

Sources: PT. Ria Sukses Mandiri (2024)

At the company PT. Ria Sukses Mandiri there was a decrease in repurchase decisions on polytop products which can be reflected in the level of sales since 5 years has not shown progress.

**Table 1. 1 Sales Data at PT. Ria Sukses Mandiri**

Year	Total Sales
2019	87.365.548.050
2020	80.116.962.500
2021	94.659.254.070
2022	92.736.517.130
2023	91.318.660.850

Sources: PT. Ria Sukses Mandiri (2024)

Table 1.1. shows that this company has not been able to develop total sales during the 2019 -2023 period. In 2020 it had the lowest total sales while in 2021 it was the highest sales. From this sales data, it can be concluded that the purchase decision has decreased.

Customers have several perceptions about product quality, as product quality guarantees product reliability, sustainability and durability. Focus on product quality there is a strong relationship with the customers purchase intention of the brand). If the actual product results exceed customers expectations of its quality, customers will return to the customers purchase intention (Saleem, et al, 2020).

The quality of products from Polytop brand has decreased due to the use of raw materials such as plastic seeds that lack high quality resulting in Polytop brand cup that is less clear. In addition, the number of customer complaints related to the size of the Polytop cup is not by customer wishes. Other customer complaints are smelly cups due to the use of less-quality plastic seeds.

**Table 1. 2 Customer Complaint Data at PT. Ria Sukses Mandiri**

Year	Total Complaint
2019	26
2020	5
2021	27
2022	29
2023	38

Sources: PT. Ria Sukses Mandiri (2024)

Table 1.2. shows that there are customer complaints every year. Some of the complaints submitted to the marketing are related to packaging that is still not safe, the color of the cup is not clear, the smell in the cup, the size that does not match the customer's order.

If the product is already in abundance in the market, then pricing will definitely play an important role because the increase in price will discourage customers from buying it. Similarly, if prices are lowered under such market

conditions, then consumers will increase the amount that they purchase significantly (Setiawan, 2023).

The price offered by the Polytop brand can compete with other similar companies. Competitor price Data is seen in the table below.

**Table 1. 3 Competitor Price Data**

<b>Merek</b>	<b>Price (Boxed)</b>
Polytop	285.000
Poly prima	290.000
118	265.000
Jupiter	285.000
Toba	245.000

Sources: PT. Ria Sukses Mandiri (2024)

Table 1.3. shows that the most expensive price is Polyprima but Poly prima image is very positive so that despite the high price, customers still make purchases. Unlike the Polytop which offers a fairly high price, however, the quality has not been consistent. Polytop also experienced a price increase of 2 times during 2023 due to the increase in plastic seeds, which was initially 275,000 per dus to 285,000 per dus by the end of 2023.

Distribution is the earliest part in the product marketing process. In practice, distribution is part of the marketing process that can add value to the product. The benefit of distribution is that it creates a smooth flow of marketing. Distribution is the link between production and consumption activities. For this reason, distribution plays an important role in the creation of customers purchase intention (Alma, 2020).

In this company has a distribution system that is less efficient, resulting in a large number of customer orders that are not delivered on time. Some of the main inhibiting factors are vehicles owned by the company only as many as 6

trucks with a large load of 3 and a small load of 3. However, because the vehicle is more than 6 years old so many vehicles are often damaged when you want to do the distribution. This caused the distribution to disappoint the customers. In addition, many polytop cup products that are routinely used by customers are not in stock so they cannot meet the needs of customer orders.

**Table 1. 4 Customer Complaint Data at PT. Ria Sukses Mandiri**

Month	Polytop Delivery Amount is not on Time
January	9
February	12
March	14
April	11
May	8
June	7
July	13
August	10
September	14
October	6
November	12
December	16

Sources: PT. Ria Sukses Mandiri (2024)

Table 1.4 show that every month in 2023 there is an untimely distribution, which disappoints customers

From the above explanation, the writer decided to conduct research entitled “**Factors Influencing Customers Purchase Intention on PT. Ria Sukses Mandiri**”.

## 1.2 Problem Limitation

Due to the limitation of time and budget, this research focused on PT. Ria Sukses Mandiri that Product Quality ( $X_1$ ), Price ( $X_2$ ), Distribution ( $X_3$ ) and Customers Purchase Intention ( $Y$ ). PT. Ria Sukses Mandi established in 2007 and located on Jl. Sumber Amal no 48, Kedai Durian, Medan Johor -II Medan.

Indicators of product quality according to Kotler (2019) are performance, durability, and conformance to specifications. Price indicators according to Gunanto and Pramono (2021) are price affordability, price competitiveness and compatibility of price with product quality. According to Suryanto (2020), indicator of distribution is product availability, distribution range and convenience level. According to Nasrullah and Tresnati (2020), indicators of customers purchase intention are awareness, knowledge, preference and conviction.

### **1.3 Problem Formulation**

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

1. Does Product Quality have partial influence towards Customers Purchase Intention on PT. Ria Sukses Mandiri?
2. Does Price have a partial influence towards Customers Purchase Intention on PT. Ria Sukses Mandiri?
3. Does Distribution have a partial influence towards Customers Purchase Intention on PT. Ria Sukses Mandiri?
4. Do Product Quality, Price, and Distribution have simultaneous influence towards Customers Purchase Intention on PT. Ria Sukses Mandiri?

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

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

1. To analyze whether Product Quality has partial influence towards Customers Purchase Intention on PT. Ria Sukses Mandiri.
2. To analyze whether Price has partial influence towards Customers Purchase Intention on PT. Ria Sukses Mandiri.
3. To analyze whether Distribution has partial influence towards Customers Purchase Intention on PT. Ria Sukses Mandiri.
4. To analyze whether Product Quality, Price, and Distribution have simultaneous influence towards Customers Purchase Intention on PT. Ria Sukses Mandiri.

## **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 Product Quality, Price, and Distribution and its influence towards Customers Purchase Intention.

### **1.5.2 Practical Benefit**

The practical benefits of this research are:

1. For the PT. Ria Sukses Mandiri.

To provide useful suggestions for the company in increasing purchasing decisions especially improving Product Quality, Price, and Distribution.

2. For the writer

The writer as the researcher gets more experience in doing the research and as an addition to knowledge about Product Quality, Price and Distribution, and Customers Purchase Intention.

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.

