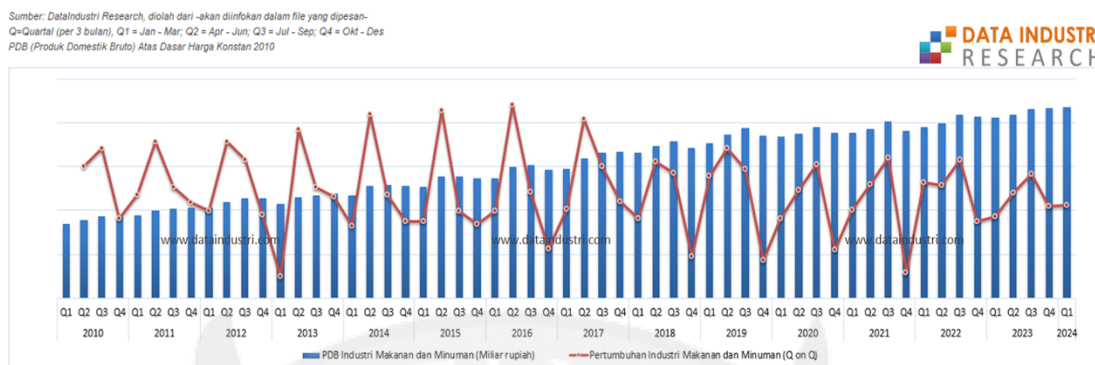


# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Business performs an essential part in a variety of industries, particularly in the food and beverage industry which nowadays have seen a significant acceleration in growth and contribution in the economy. On the other hand, businesses are increasingly driven to thoroughly understand the requirements and preferences of the customers. In order for businesses to be competitive and relevant in the global market, this involves understanding the evolving preferences of the customer base and aligning the operational capabilities and products appropriately. The growing number of companies in the market has given customers with a broader range of options to choose which allow individuals to make more informed decisions when decide on products that suited the needs of individuals. By having accessibility to a wide variety of products allows customers to choose the ones that suit the needs and preferences. The food and beverage sectors is one of the industries that still continues to be dynamic and consistently expanding. This industry has proven to be incredibly resilient and capable of growing even during an economic downturn. The continues demand for food and beverage products ensures the industry's resilience which enables the industry to thrive despite changes in the economy.



**Figure 1. 1 The Data Growth of Food and Beverage Industry**

Source: Data Industry Research (2024)

The food and beverage industry provides a wide range of product for individuals to choose, one of which is biscuits and crackers. For instance, biscuits and crackers provide a convenient option for consumers to incorporate into the consumer everyday lives. Despite the individuals busy lifestyle, many individuals frequently do not have the time to have a healthy lunch. In these circumstances, crackers and biscuits become an alternative substitute that can help fulfill the individuals' hungers. In this study, identifies several factors that can influence customer purchasing decisions, including brand image, promotions, and design packaging.

Brand image plays an important role because brand image influences the customer's perspective and trust in the product. The brand image might influence several factors such as, the attractiveness of the product as well as the functionality, usability and the overall value that represents from the perspective of customer. According to Kotler and Keller (2019) brand image represents how customers perceive a brand based on the associations that form in customer minds. This is essentially the set of beliefs, impressions, and ideas that come to mind when

consumers think of a particular brand. When customers purchase a product, customers are purchasing not only the actual product but also the brand that goes along with the product. A strong brand image helps businesses in gaining the loyalty and trust of the business target audience. Furthermore, a strong brand image serves as a significant assurance to consumers which impacting the customers willingness to buy the product, particularly when new competitors entering the market. In Indonesia, brand image is often one of the main considerations for buyers in choosing products. Brands that have a positive and trusted image tend to win customers' trust more easily. When consumers perceive a brand as having a good reputation, customers are more likely to purchase the product. Conversely, if a brand has a negative or poor image, customers may be reluctant to buy the product even if the quality or price is attractive.

To attract customer's purchase decision, promotion is essential because promotion generates interest and awareness, which frequently result to customers choose one product over another. Promotion activities are important for the continued achievement and sustainability of a company, as well as for developing competitive and navigating market strategies. According to Kotler and Armstrong (2019) define promotion as a crucial marketing activity aimed at communicating the product's benefits to potential customers and persuading customer to make a purchase. The success of a marketing strategy is significantly influenced by promotion, which helps to bridge between the product and the consumer. If customers are unaware of the product or do not understand the advantages it offers, customers are unlikely to consider purchasing the product. Consequently, effective

promotion helps to bridge the gap between the company's offerings and the desires of its consumers, thereby fostering a positive working relationship and increasing sales. Promotional activities function as both a communication channel between the company and the customer and as a strategic instrument to persuade customers to acquire items or services that align with customer desires and requirements. In the competitive Indonesian market, choosing the right promotional strategy can be crucial for capturing consumer interest. Promotions carried out by companies also play a significant role in influencing purchasing decisions. An effective promotional strategy can increase consumer awareness of the product and provide incentives to make purchases. On the other hand, the impact might not be what was anticipated if the promotion is not appealing or does not correspond with the target market. Without promotion the best products may go unnoticed and fail to achieve the market potential.

The customer's first impression of a product is determined by the packaging. Packaging has the ability to attract or alienate potential customers. In order to increase the products' marketability and sales, companies aim to invest in attractive and innovative packaging that makes the products stand out and appeal to a wider audience. The success of promoting a product is influenced not only by the quality of the product but also the appearance of the packaging. According to Sinaga (2022), defines design as the full set of features that influence a product's appearance and performance from the perspective of what customers need. Effective packaging can enhance the overall attractiveness of the product, which make the product more appealing to consumers and supporting the promotional

efforts. Improving the appearance of the product can elevate both the quality and attractiveness, whereas this frequently results in higher expenses. As a result, this is important for companies to design that is precisely adapted to the preference and requirements of the intended target customers. One of the primary characteristics that differentiate the product from competitors is the unique and original design. The uniqueness and original design can help the product to stand out, which customers may find the product more memorable and recognized. Packaging design is also an important factor in purchasing decisions but is often a source of dissatisfaction if does not meet customer expectations. Packaging that is unattractive or lacks important information can make customers doubt the quality of the product inside. If the packaging design does not match customers' preferences or needs, or if the packaging does not provide enough information, this can cause customers to feel hesitant and reluctant to buy the product.

Purchase decision is the process where individuals consider different options and make a final decision. Customers make purchase decisions based on the preferences for certain brands, indicating the intention to choose those brands over others. This process includes evaluating the advantages and disadvantages of every option before making a selection. According to Tjiptono (2019) stated that purchase decisions involve a process where customers identify the problems, research information about particular brands or products and determining whether these alternatives can address the issues, ultimately resulting to a purchase decision. According to Kotler and Armstrong (2019), purchase decision is the last stage of the decision-making process, where the customer makes the final decision and

proceeds with the actual purchase. This is the stage at which customer determines to purchase the product, upon the customer consideration of different choices.

Brand image, promotion and design packaging significantly influence customer purchase decision. Every aspect is essential in forming the perceptions and preferences of customers and ultimately guiding customers towards making a purchase.

This research was conducted at PT. Alamjaya Wirasentosa, which are located at Jalan Raya Medan KM13.3 Tanjung Morawa, Desa Bangun Sari No. 54, 20362, North Sumatera. PT. Alamjaya Wirasentosa started out as a distributor of Indofood Group products in North Sumatra and Aceh (NAD), but then eventually expanded to distribute Non Indofood products such as the Unibis brand and other brands as well. The study aims to explore the underlying causes of the challenges faced by PT. Alamjaya Wirasentosa, exploring the specific barriers that prevent customers from making purchasing decisions and analyze potential strategies to overcome these barriers.



**Figure 1. 2 Logo of PT. Alamjaya Wirasentosa**

Source: PT. Alamjaya Wirasentosa (2024)

In this research, the writer will be focusing on Unibis products as the research object, specifically among the various brands distributed by PT. Alamjaya

Wirasentosa. This is due to the decrease in sales of one of Unibis's products which is Unibis Sandwich Cream Biscuits. Based on the data derived from PT. Alamjaya Wirasentosa, the following table summarizes the sales of the Unibis Sandwich Cream Biscuits.

**Table 1.1 The Sales of Unibis Sandwich Cream Biscuits at PT. Alamjaya Wirasentosa**

<b>Month</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>January</b>	8,689	7,414	5,562
<b>February</b>	8,951	8,647	6,575
<b>March</b>	9,135	8,396	6,222
<b>April</b>	8,348	7,113	7,830
<b>May</b>	9,934	8,972	5,024
<b>June</b>	9,020	8,026	7,075
<b>July</b>	8,103	8,440	7,550
<b>August</b>	8,998	7,339	6,832
<b>September</b>	9,436	8,688	7,210
<b>October</b>	8,224	8,089	7,062
<b>November</b>	9,322	7,250	6,845
<b>December</b>	9,613	8,728	7,804
<b>Total</b>	<b>107,773</b>	<b>97,102</b>	<b>81,591</b>

Source: PT. Alamjaya Wirasentosa, Years 2021 to 2023.

Based on the table above, this is a sales report for the Unibis Sandwich Cream Biscuits. The table highlights fluctuations in sales figures cross various months, which can be attributed to seasonal purchasing patterns. For example, during festive seasons such as Idul Fitri or Christmas, there is a noticeable spike in sales as individuals tend to buy hampers for the individual's relatives and friends. This practice significantly boosts product sales during these periods. Conversely, in months that do not align with major holidays or festivities, sales tend to be lower. This pattern indicates the time of year significantly influences consumer purchasing decision, with certain months showing a marked increase in purchases due to the cultural and social practices associated with those times. Consequently,

understanding these seasonal trends can be essential for strategic planning and inventory management to optimize sales throughout the year.

The significant decrease in sales experienced by PT. Alamjaya Wirasantosa can be attributed to the fact that the snack food industry in Indonesia is facing increasing competition due to rising consumer demand and shifting preferences. PT. Alamjaya Wirasantosa, which is the distributor for the Unibis brand, operates in a challenging market environment where variety of factors influenced the customer purchase decision. As consumer expectations evolve and new trends emerge, PT. Alamjaya Wirasantosa must navigate these complexities to effectively compete and meet market demands. Unibis is a reputable brand that has been active in Indonesian market for many years. However, Unibis struggles with maintaining a consistent brand image in the market, particularly in the North Sumatra region. Many customers perceive Unibis products as similar to those of other brands, leading to a lack of distinctiveness that would set Unibis apart from the competitors. One notable competitor is the Hatari brand, which has received the prestigious Anugerah Brand Indonesia award in 2018. This recognition has further highlighted the gap between Hatari and Unibis in terms of market perception. As a result, Unibis has seen a decline in the brand prestige compared to Hatari, which benefits from a more refined strategy and greater market experience.





TOP BRAND AWARD

Top Brand Index

Brand	TBI	🏆	Brand	TBI	🏆
Regal Biskuit Marie	34.10%	TOP	Roma Malkist Crackers	36.20%	TOP
Roma Marie Susu	22.40%	TOP	Gery Saluut Malkist	35.90%	TOP
Khong Guan Marie Biscuits	11.40%	TOP	Hatari	12.40%	TOP
Monde Milk Marie	10.80%		Khong Guan	10.30%	
Marie Susu Madu	7.40%		Nissin	2.30%	
			Go Malkist Madu	2.10%	
			Kokola	0.50%	
			Unibis	0.10%	

Figure 1.3 Top Brand Awards (2024)

Source: Top Brand Indonesia (2024)

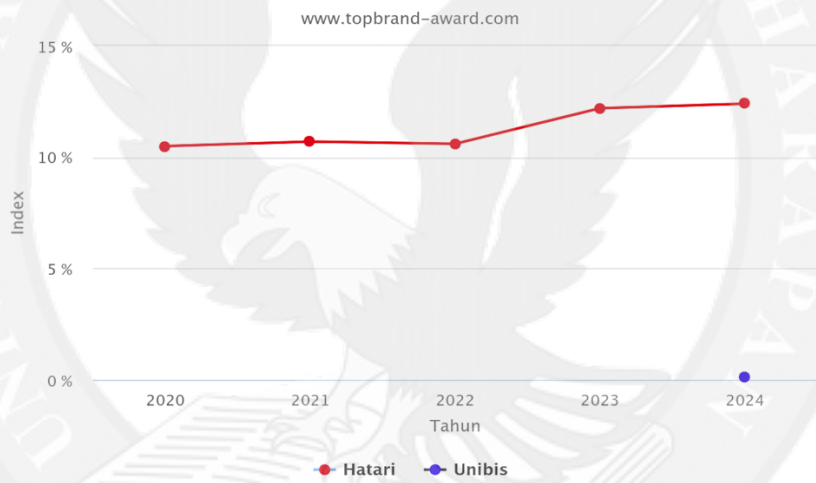


Figure 1.4 Graphics of Hatari and Unibis

Source: Top Brand Indonesia (2024)

Table 1.2 Brand Index of Hatari and Unibis

Nama Brand	2020	2021	2022	2023	2024
Hatari	10.50	10.70	10.60	12.20	12.40
Unibis	-	-	-	-	0.10

Showing 1 to 2 of 2 entries

Sumber: Top Brand Award (www.topbrand-award.com)

Source: Top Brand Indonesia (2024)

According to the 2024 rankings on Indonesia's top brand index website, the Unibis brand is struggling to remain competitive when compared to Hatari. The table above shows that in 2024, the Hatari brand secured a spot in the top 3 rankings with an index of 12.40%, while Unibis lagged significantly behind with just 0.10%. This data indicates that Unibis is underperforming in the market and faces considerable challenges in competing with Hatari, which appears to have a stronger presence and appeal among customers. This highlights the competitive difficulties Unibis is experiencing in maintaining the brand image in the market position.

Promotion is an important marketing strategy for enhancing customer awareness of Unibis products. Unibis also implemented various promotional strategies, including discounts and social media ads with the aim of increasing sales. However, the results show that despite an increase in brand awareness, the product sales did not experience a significant increase that can be seen in one of Unibis's products, which is Unibis Sandwich Cream Biscuit. According to data obtained from its Instagram account, @unibiscuit, Unibis brand engages in a variety of promotional activities. The promotional strategies implemented include the provision of sales promotions, the organization of giveaway events, both in terms of the GOPAY reward and the product bundles. However, the brand faces a significant problem regarding its promotion, where there are certain products from Unibis that are not promoted on the unibis Instagram account which is the Unibis Sandwich Cream Biscuit. The promotional focus seems to be primarily on products like Super See Hong Puff Crackers and Marie Biscuits. This lack of attention to the Unibis Sandwich Cream Biscuit on social media is likely contributing to the



Although these colors can be visually appealing, the design packaging often do not convey the exclusivity or premium quality that some consumer segments desire. Despite the bright colors of Unibis' packaging, the design fails to effectively emphasize the product's uniqueness compared to competitors like Hatari.



**Figure 1. 6 Unibis's Design Packaging**  
Source: Unibis Website (2024)



**Figure 1. 7 Hatari's Design Packaging**  
Source: Hatari Website (2024)

Based on the figure 1.6 and figure 1.7, the difference in the design packaging between Unibis Cream Biscuits and Hatari is quite prominent. In Hatari products, the packaging colour is adjusted to the listed flavour variants, such as brown for chocolate biscuits. Whereas in the Unibis packaging, the packaging colour is not in line with the biscuit flavour displayed. This causes confusion among customers when choosing a product, which leads customer tend to prefer Hatari products since the information and colours on the packaging are clearer than Unibis products. This lack of visual appeal makes it challenging for customers to distinguish Unibis products, leading customers to gravitate towards other brands that offer more visually engaging packaging. As a result, Unibis may struggle to compete

effectively, as customers are more likely to choose products that catch customers attention and stand out on the shelves.

Through this research, the writer can acquire deeper understanding of the influence of brand image, promotion, and design packaging on customer purchasing decisions for Unibis products.

Therefore, based on the background of study that was mentioned above, the writer determined to conduct further research under a title **“The Influence of Unibis’s Brand Image, Promotion and Design Packaging on Customer Purchase Decision at PT Alamjaya Wirasentosa”**

## **1.2 Problem Limitation**

Given the constraints of time, resources, and access to the organization, the writer will narrow the research scope to focusing on specific objectives. This limitation allows the author to concentrate more thoroughly on each factor being examined, ensuring a detailed explanation and providing readers with the expected understanding and solutions. In this study, the writer will conduct the research at PT. Alamjaya Wirasentosa, focusing specifically on Unibis sandwich cream biscuits as the primary object of the research.

The writer will be focusing on specific objective related to Brand Image, Promotion and Design Packaging as the independent variable (X) and Customer Purchase Decision as the dependent variable (Y). The data used to analyze the research model will be collected through questionnaire specifically designed to align with the research objectives.

### **1.3 Problem Formulation**

Based on the research that are going to be carried out, the writer will develop a number of questions to gather all of the necessary information that are needed, such as:

- a. Does Unibis's brand image have partial influence on customer purchase decision at PT. Alamjaya Wirasantosa?
- b. Does Unibis's promotion have partial influence on customer purchase at PT. Alamjaya Wirasantosa?
- c. Does Unibis's design packaging have partial influence on customer purchase decision at PT. Alamjaya Wirasantosa?
- d. Do Unibis's brand image, promotion and design packaging have simultaneous influence on customer purchase decision at PT. Alamjaya Wirasantosa?

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

Based on the background and the formulation of the problem, the objectives of this research are as follows:

- a. To analyze whether Unibis's brand image has partial influence on customer purchase decision at PT. Alamjaya Wirasantosa
- b. To describe whether Unibis's promotion has partial influence on customer purchase decision at PT. Alamjaya Wirasantosa
- c. To explain whether Unibis's design packaging has partial influence on customer purchase decision at PT. Alamjaya Wirasantosa

- d. To investigate whether Unibis's brand image, promotion and design packaging have simultaneous influence on customer purchase decision at PT. Alamjaya Wirasentosa

## **1.5 Benefit of the Research**

The outcomes of the research on "The Influence of Brand Image, Promotion and Design Packaging on Customer Purchase Decision at PT. Alamjaya Wirasentosa" are anticipated to provide benefits, which can be categorized into two categories:

### **1.5.1 Theoretical Benefit**

The theoretical benefit of this research is to determine whether Brand Image, Promotion, and Design Packaging significantly influence Customer Purchase Decision, particularly in companies within the distribution industry. This study aims to enrich the academic discourse by providing new insights and data that enhance the understanding of how these factors influence customers purchase decision.

### **1.5.2 Practical Benefit**

The practical advantages that will be achieved from conducting this research are:

- a. For the writer

This research aim to offer a more recent insight, knowledge and comprehensive understanding of brand image, promotion and product packaging that influence the customer purchase decision.

b. For the company

The outcomes of this research are anticipated to provide significant benefits by serving as valuable guidance for the company. This will assist the company understand how brand image, promotion, and product packaging will influence the customer purchase decision.

c. For other researchers

The outcomes of this study can be utilized as a reference or consideration for conducting new research on similar topics, particularly in brand image, promotion and product packaging towards customer purchase decision. This study provides additional insights that has not been included in prior research.

