

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Every human being, fundamentally has desire to survive. Therefore, humans always strive to fulfill their needs. No two individuals have exactly the same needs, even identical twins have different needs. Thus, human needs vary greatly throughout their lives. According to their intensity, primary needs, secondary needs, and tertiary needs are three types of human needs. The diversity of human needs triggers producers to create various products to meet them. This also results in many similar products circulating in the market, presenting customers with numerous choices for desired goods. Consequently, producers or sellers are required to develop marketing strategies to compete with others offering similar products. Marketing is a series of interrelated activities aimed at understanding customer demand through the production, offering, and exchange of beneficial products and services, as well as developing promotions, distribution, services, and pricing to effectively and profitably meet those needs (Hery, 2020).

According to Rossanty et al. (2020), in a purchase case, customers can make several sub-decisions, including brand, supplier, quantity, execution time, and payment method. Complex products require extensive consideration before making a purchase decision, while simpler products like daily necessities are easier for customers to decide on purchasing. Before deciding to make a purchase,

customers usually consider many things such as brand image, packaging and promotion. According to Sudarso et al. (2020), brand image is formed from customers' perceptions or beliefs about the information and experiences they have had with a product or service in the past. Brand image is the ideas, beliefs, and impressions of a brand that exist in the minds of customers, generated from their experiences with the company's products or services. Packaging is a multifaceted aspect of product management that goes beyond merely wrapping products. It is integral to product protection, information dissemination, branding, customer convenience, and sustainability efforts. Effective packaging can significantly influence a product's success in the market by ensuring it reaches customers in optimal condition and appealing to their preferences and values (Santoso, et al. 2020). While according to Febriani and Dewi (2020), promotion is a means used by companies to inform, persuade and remind customers directly or indirectly about the products and brands they sell.

One of the primary needs of humans is food. Competition in the food industry is intense, not only among large companies but also among small-scale businesses. This is due to the increasing number of needs that society wishes to fulfill through the market, ranging from breakfast, staple foods, snacks, to products for special celebrations like cakes. The rising demand for cake products has led many entrepreneurs to start their own businesses by introducing various recipes. There are many cake businesses operating in the city of Medan, one of which is PT. Bunda Sari Legit (Affinois), Medan located at Jalan Mojopahit 166. In the observation conducted by the researcher, PT. Bunda Sari Legit (Affinois),

Medan is currently experiencing a decline in sales. The following is the sales data of PT. Bunda Sari Legit (Affinois), Medan can be seen in the table below:

**Table 1.1 Sales Data of Affinois
(2023- August 2024)**

Month	2023 (Rp)	2024 (Rp)
January	184.215.000	143.535.000
February	151.113.000	159.563.000
March	123.167.000	112.923.000
April	78.728.000	102.341.000
May	99.662.000	114.256.000
June	110.484.000	109.053.000
July	100.158.000	112.129.000
August	130.517.000	-
September	125.180.000	-
October	112.128.000	-
November	141.561.000	-
December	152.393.000	-
Total	1.509.306.000	853.800.000

Sources: Affinois (2024)

Table 1.1 from the above data it can be concluded that the decline in sales in Affinois so that means a decrease in customer purchase decision. In 2023 the highest sales occurred in January 2023 then the lowest occurred in June while in 2023 the highest occurred in February and then the lowest occurred in April 2024. The high competition, especially along Mojopahit Street in Medan where numerous similar businesses operate, has contributed to this situation. Customers who usually made purchases at Bunda Sari Legit are now trying products from other places in hopes of finding better-tasting options. Moreover, the availability of online purchasing alternatives has further impacted Bunda Sari Legit's sales negatively, as customers can easily switch their buying preferences.

The phenomenon related to brand image, many customers are not very familiar with products from Bunda Sari Legit because customers only know products from the Zulaikha, Meranti and so on brands, so when they want to buy

souvenirs, products from Zulaikha and Meranti are considered more impressive because they have a good image. For the Affinois product itself, there are not many reviews from customers, while its competitors such as Zulaikha and Meranti seem to have more reviews of the results of purchases from their customers. The following can be seen the results of the review description:

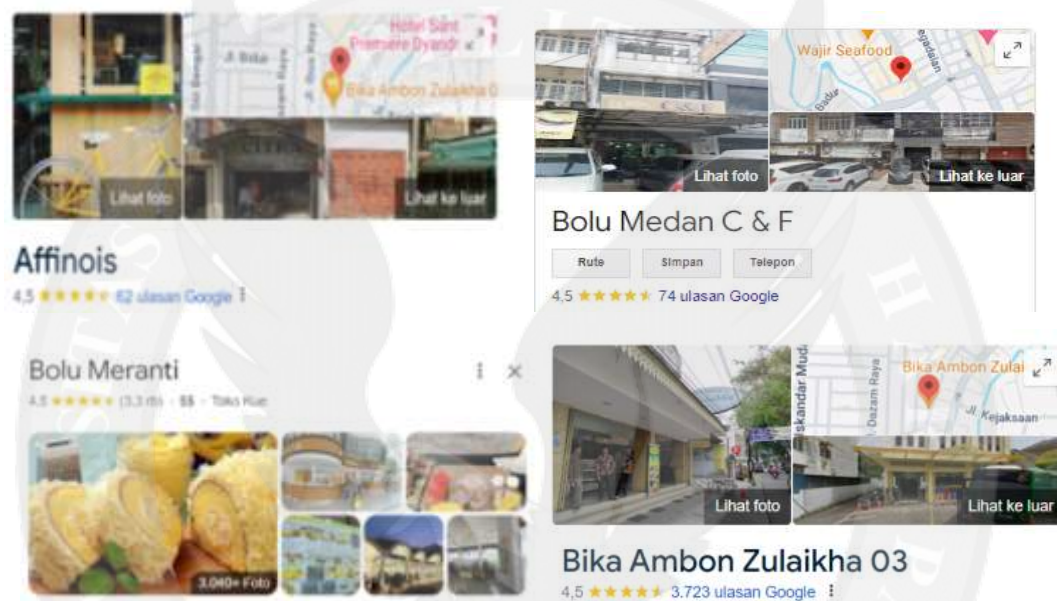


Figure 1. 1. Customer Review For Brand Image
Sources: Google Review (2024)

Based on the Figure 1.1. above, it can be seen that the figure of Affinois itself has not been able to compete with other places of purchase, for example, the number of Affinois reviews is only 62 reviews, while Zulaikha has 3,700 reviews and Meranti has 3,300 reviews.

Table 1.2 Data Phenomenon of Brand Image at Bunda Sari Legit Medan

Indicators	Description
The brand is easy to remember	Affinois can not give an attractive impression due to a variety of products that are almost the same as its competitors.
The brand is easy to recognize	According to customers, affinois brand is not easy to recognize because the various flavors of sponge rolls are almost the same as other stores, such as Matcha, Ceres, Mocha, Pineapple and so on..
The brand has a good reputation	According to customers, Affinois reputation is enough good because it helps customers in providing information about the sponge and other cake. However, because the service is slow enough that customers do not really like the transaction in Affinois.

Sources: Prepared by the Writer (2024)

Affinois faces challenges in establishing a memorable brand presence, as it struggles to create a lasting impression on consumers. The brand is not easily recognized, which may result in it being overlooked in a competitive market. Additionally, its reputation is not as strong as it could be, with some customers questioning the consistency and reliability of the products. These issues suggest that the brand needs to work on improving its visibility and trustworthiness to strengthen its position in the market.

In terms of packaging, it can be seen from several customer complaints regarding the lack of interest in Bunda Sari Legit products because the packaging is not of good quality and looks less attractive so that when customers want to make them as souvenirs they also feel that they are not able to give a good impression. The following are some examples of complaints regarding Affinois' packaging, which can be seen in the image below:



Figure 1. 2 Customer Complain For Packaging

Sources: Affinois (2024)

Based on the image above, there is no doubt that there are a number of complaints from customers regarding the packaging of the products they buy, such as packaging that looks ordinary using cardboard, packaging that is damaged after ordering and also damage to the premium packaging ordered by customers, such as damage to the packaging cover.

Table 1.3 Data Phenomenon of Packaging at Bunda Sari Legit Medan

Indicators	Description
Visual cues	According to consumers, the color of the packaging is not unique so there is no interesting impression. Some easily dented packaging means that it indicates low packaging quality.
Informational	According to consumers, Affinois packaging does not have a clear picture of the contents because the packing is plain and there are no pictures. There is no listed production date or Dep.Kes. number and logo of halal.
Tamper evident features	According to consumers, the packaging of Affinois tightly closed and has a size that fits the type of cake or <i>bolu gulung</i> . Ribbons that come off easily causing inconvenience to customers.
Personalization	According to consumers, Affinois serve packaging requests such as the addition of ribbons, writing and so on. However, there are quite high additional costs. Personalized affinois packaging that is too simple and has no special features.

Sources: Prepared by the Writer (2024)

Affinois struggles with its visual cues, which fail to effectively capture attention or convey the brand's identity, leading to a lack of strong brand

recognition. The informational aspects of the packaging are insufficient, leaving consumers without clear or compelling details about the product. Additionally, the tamper-evident features are either inadequate or not prominently displayed, raising concerns about product safety and integrity. Lastly, the brand lacks personalization, which limits its ability to connect with customers on a more individual level, ultimately weakening brand loyalty.

Regarding the promotion phenomenon, it is known that Bunda Sari Legit rarely carries out various promotional activities to introduce its products because many customers still do not know about the existence of Bunda Sari Legit products. The following is a comparison of promotional activities carried out by Bunda Sari Legit with other places:



Figure 1. 3. Program Promotion at Affinois
Sources: Instagram (Affinois, 2024)

Based on the promotion indicators used in this study that can be described in the table below:

Table 1.4 Data Phenomenon of Promotion at Bunda Sari Legit Medan

Indicators	Description
Advertising	Affinois often do ads on social media. However, many customers do not know because customers do not subscribe Affinois. Affinois rarely works with endorsers.
Sales promotion	Affinois often provides promotional programs in the form of discounts, bundling packages at a cheaper price. However, according to consumers the size of bread or cake that is promoted is much smaller and tastes different comparing when not on promotion.
Personal selling	Staff are still sometimes less polite in responding to consumers, especially when the store is crowded. According to consumers, when asked by consumers about bread and cake products can not give a satisfactory and complete answer.

Sources: Prepared by the Writer (2024)

Affinois faces significant challenges in its advertising efforts, which fail to resonate with the target audience, leading to low brand awareness and engagement. Furthermore, the personal selling approach lacks a strong, personalized touch, resulting in missed opportunities to build relationships with customers and drive sales. These shortcomings indicate a need for a more strategic and impactful approach to marketing and sales efforts.

Based on the background study, the writer is interested to conduct research with the title: **“The Effect of Brand Image, Packaging and Promotion on Customer Purchase Decision at PT. Bunda Sari Legit (Affinois), Medan.”**

1.2 Problem Limitation

Due to limitations in the abilities, funds and time that researchers have, therefore, the discussion was not long and effective. To limit the problem, the author will focus on three variables: brand image, packaging, and promotion as independent variable while purchase decision as dependent variable to limit the

problem. The brand image indicator that will be used in this research consist of the brand is easy to remember, the brand is easy to recognize and the brand has a good reputation (Firmansyah, 2023). Packaging indicator that will be used in this research consist of visual cues, informational indicators, tamper-evident features, and personalization (Santoso, et al. 2020). Promotion indicator that will be used in this research consist of advertising, sales promotion, and personal selling (Firmansyah, 2020). Purchase decision indicator that will be used in this research consist of confidence in a product, habits of buying a product, recommending to others, and interest in repeating purchase (Wangsa, et al. 2022). This study aims to study the extent to which brand image, packaging and promotion can effect purchase decision. This study will focus Lapis Legit Cake products at PT. Bunda Sari Legit, Medan.

1.3 Problem Formulation

The problem formulation in this research can be described as follow:

- a. Does brand image have partial effect on customer purchase decision at PT. Bunda Sari Legit (Affinois), Medan?
- b. Does packaging have partial effect on customer purchase decision at PT. Bunda Sari Legit (Affinois), Medan?
- c. Does promotion have partial effect on customer purchase decision at PT. Bunda Sari Legit (Affinois), Medan?
- d. Do brand image, packaging, and promotion have simultaneous effect on customer purchase decision at PT. Bunda Sari Legit (Affinois), Medan?

1.4 Objective of the Research

The objective of the research as follow:

- a. To analyze whether the brand image have partial effect on customer purchase decision at PT. Bunda Sari Legit (Affinois), Medan.
- b. To analyze whether the packaging have partial effect on customer purchase decision at PT. Bunda Sari Legit (Affinois), Medan.
- c. To analyze whether the promotion have partial effect on customer purchase decision at PT. Bunda Sari Legit (Affinois), Medan.
- d. To analyze whether the brand image, packaging, and promotion has simultaneous effect on customer purchase decision at PT. Bunda Sari Legit (Affinois), Medan.

1.5 Benefit of the Research

The benefit of the researches as follow:

1.5.1 Theoretical Benefit

The result from this study can be proof for readers to know that brand image, packaging, and promotion having effect on purchase decision. The result from this study can provide insight and experience as well as observations in real life situation which is very useful for the writer in the future. The result from this study can be used for reference for those who are interested in studying the same problem in the future. This study can also update the existing theory about the effect of brand image, packaging, and promotion on purchase decision.

1.5.2 Practical Benefit

The following are the practical benefits of this study:

- a. For PT. Bunda Sari Legit (Affinois), Medan

The researcher expects the result from this study could benefit the business to evaluate, and take the result as suggestion to know the effect of brand image, packaging, and promotion on purchase decision.

- b. For the Writer

The result from this study can make the writer gain new experience and more knowledge about the importance of brand image, packaging, and promotion on purchase decision.

- c. For Future Researches

The researcher expects the result from this study could become a comparison for the future researchers who are interested of studying the same topic which is the effect brand image, packaging, and promotion on purchase decision.