

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In recent decades, technological advancements have changed the face of business significantly. Rapid developments in the fields of information technology, communication, and industrial automation have created a dynamic and competitive business environment. Technology has become a key enabler driving operational efficiency, product innovation, and improved customer experience. However, along with the advantages offered by technology, the competition between companies is also getting fiercer. One of the most visible consequences of technology advancements is globalization. Information and communication technology enables businesses to operate and compete in a global market with no geographic limitations. This brings up new markets, but it also requires businesses to be willing to compete with competitors from all around the world (Daraojimba et al., 2023)

Business competition is an unavoidable occurrence that serves as one of the primary driving forces in the global economy. Competition encourages businesses to enhance efficiency, innovate, and deliver greater value to their consumers. Thus, competition plays an essential role for fostering economic growth and industrial development. However, severe competition offers a variety of obstacles for businesses. Business competitiveness has changed significantly over time. In today's era of globalization and digitalization, competition is no

longer limited to the local or national market. The company is now facing competitors from all over the world, which means that operational standards and product quality must be higher in order to compete effectively. Globalization has provided access to worldwide markets, but it has also raised the intensity of competition as businesses from numerous countries battle on the same platform being used (Asadzade, 2024)

Indonesia is one of the countries with an abundance of natural resources, such as marble and natural stone. The marble and natural stone sector in Indonesia has expanded significantly in response to rising demand from the building and decorative industries. Marble and natural stone are often used in the construction of buildings, residences, hotels, and many other construction projects, both structurally and aesthetically. The rising demand for marble and natural stone is mostly driven by the increasing popularity of Indonesia's property and building sectors. The development of large residential, business, and public infrastructure buildings generates a large demand for these items. Furthermore, the trend in interior décor, which points out aesthetics and the use of natural materials, has increased demand. To compete with imported products, local companies must focus on improving the quality and branding of their products (Salam et al., 2024).

Indonesian marble and natural stone products have great potential to be recognized in the international market if they can meet global quality standards and have a strong identity. These resources are abundant across various regions, particularly in areas like East Java, Sulawesi, and Sumatra. The industry has seen steady growth over the years due to increasing domestic demand for construction

and architectural projects, as well as a robust export market. Indonesian marble and stone products are renowned for their quality and aesthetic appeal, attracting international buyers from countries like China, the United States, and European nations. The sector also plays a crucial role in the local economy by providing employment opportunities and contributing to regional development (Handayani et al., 2023).

Enzo Natural Group is a company that specializes in different kinds of marble and natural stone products and services, such as tiles, mosaic stones, and ornamental stones, which are commonly used for interior and exterior designs for residential and commercial properties. Enzo Natural Group has been operating as a marble and natural stone retailer in North Sumatra since 2014. At Enzo Natural Group, they prioritize quality, craftsmanship, and customer satisfaction. Their dedicated team of experts is committed to providing personalized service, assisting the customer in selecting the perfect marble and natural stone products for your specific needs.

Enzo Natural Group has a mining facility and a stone factory; in the future, they intend to broaden their market to Jakarta and Bali, as well as expand their business by providing a service ranging from product design to installation. Enzo Natural Group focuses on transforming people's perceptions of building their dream home through providing the best stone products and enhanced services. Enzo Natural Group has a highly promising core value: they treat their customers with respect and faith, they expand through creativity, invention, and innovation, and they integrate honesty and integrity into their business operations. Their aim

is to provide quality service and products that beyond customer expectations in Indonesia. Their mission is to develop long-term relationships with consumers through innovation and outstanding products.



Figure 1.1. Enzo Marble and Enzo Natural
Sources: PT Enzo Natural Group (2025)

Purchase decision is a critical component in the consumer buying process, as it directly influences the success and profitability of businesses. This decision marks the culmination of a series of evaluations where consumers compare various products and services based on factors such as quality, price, features, and brand reputation (Pasaribu, 2022). A positive purchase experience can lead to repeat business, positive word-of-mouth referrals, and long-term customer relationships. Conversely, a negative decision can result in dissatisfaction, returns, and negative reviews, which can harm a company's reputation and sales. Moreover, understanding the factors that influence purchase decisions enables businesses to tailor their marketing strategies, product development, and brand image to better meet consumer needs and preferences, thereby driving sales and fostering purchase decision (Mavilinda & Susanti, 2022).

Table 1.1. Sales Data of PT Enzo Natural Group (2021-2024)

Year	Total Sales	Percentage (%)
2021	Rp 32,925,980,250	-
2022	Rp 30,198,245,678	- 8.3%
2023	Rp 27,549,873,150	-8.8%
2024	Rp 22,723,215,658	-17.5%

Source: PT Enzo Natural Group (2025)

In the last 4 years, PT Enzo Natural Group has experienced a decline in total sales. The decrease in 2022 amounted to 8.3% from the previous year and finally in 2024 experienced a decrease of 17.5%. From the conditions of sales that have decreased, it can be concluded that there has been a decrease in purchasing decisions.

Based on complaints from consumers, there are three main factors that seem to play an important role, namely a less popular brand image, a decline in perceived product quality, and a less effective sales promotion strategy. Brand image relates to how customers consider a brand, whereas brand awareness refers to how much customers recognize it. Both ideas are crucial for gaining consumers' attention, trust, and loyalty to a business (Kotler and Keller, 2021).

Based on the results, it is known that the PT Enzo Natural Group brand is less well known in a wider market segment. This causes low consumer trust and interest in the products offered. The impact of this weak brand image is a decrease in consumer interest to try and buy PT Enzo Natural Group products.

Table 1.2. Complaints of PT Enzo Natural Group

Customers	Review
Bambang Tandyutama	The other stores are better because they are more cheaper, the quality is better, and their service is more satisfied.
Andre Tambunan	Products from the factory have defects but are still being sold in the store.
Indra Jaya	After installation, it turned out that it was not suitable for my living room, so I had to replace it again.

Source: PT Enzo Natural Group (2025)

Table 1.2. show that the negative complaints that many consumers provide reviews related to prices that are too expensive compared to similar products, the number of marble products that are defective or not smooth so that they trigger customer disappointment. These various negative reviews trigger a decreased brand image. PT Enzo Natural Group brand is less well known in a wider market segment. This causes low consumer trust and interest in the products offered. The impact of this weak brand image is a decrease in consumer interest to try and buy PT Enzo Natural Group products.

This industry is marked by its emphasis on high-quality materials, as the visual appeal and durability of marble and natural stones play a critical role in applications ranging from residential countertops to grand architectural projects. Companies prioritize the marketing value of product design, particularly its appearance. Customers prioritize quality while making purchase decisions (Murdapa & Pramudyo, 2025).

The quality of products from PT Enzo Natural Group has decreased, triggering many complaints or negative reviews from consumers. Some examples of negative customer complaints can be seen in the table below.

Table 1.3. Complaints for Product Quality

Customers	Review
Wayan Prasetya	The marble was just bought and already has scratches.
Nurul Wulanda	The product we bought was not as we wanted because the pattern was different.
Muhammad Taufik	The product delivered is defective and does not meet specification standards.

Source: PT Enzo Natural Group (2025)

However, PT Enzo Natural Group received complaints from consumers regarding inconsistent product quality. Some products are reported to break down

quickly, have manufacturing defects, or do not meet consumer expectations. This problem not only damages the company's reputation, but also reduces consumer confidence and reduces sales growth. Buyers, which include homeowners, architects, and contractors, often prioritize the unique patterns, colors, and finishes that natural stones offer. Moreover, the decision-making process is impacted by the origin and authenticity of the stone, as certain regions are renowned for producing superior quality materials.

With the sales promotion, it is expected that consumers will want to try these products and encourage existing consumers to buy products more often so that re-purchases will occur and the sales volume of a company's products will increase. Promotion is an important factor in realizing the sales goals of a company (Suryani & Syafarudin, 2021)

Additionally, the cost, availability, and long-term maintenance requirements of the stone significantly affect the final purchase decision. Sales promotion is an essential strategy for increasing product visibility and attracting consumer attention.

Table 1.4. Complaints for Sales Promotion

Customers	Review
Fredy	The price is quite expensive and not friendly than other stores, and there are no discounts.
Wynne Min	We have bought quite a lot and we didn't received any bonuses or gifts.
Jesieca Sun	The price is expensive and there's no discount at all.

Source: PT Enzo Natural Group (2025)

However, PT Enzo Natural Group promotional strategy is considered less effective. Promotional campaigns run do not attract the attention of the target market and do not provide enough discounts, bonus, and prize to encourage purchases.

Based on the background study regarding how important brand image, product quality, and sales promotion is for a business, the writer would like to conduct a research titled: **“The Influence of Brand Image, Product Quality, and Sales Promotion on Purchase Decision at PT Enzo Natural Group”**.

1.2 Problem Limitation

For the problem limitation, writer will focus on four variables which are brand image (X_1), product quality (X_2), and sales promotion (X_3) as independent variable, and purchase decision (Y) as dependent variable.

1.3 Problem Formulation

Based on the description of the background of the problem above, there are identification problem in this study can be identified:

1. Does Brand Image has partial significant influence on Purchase Decision at PT Enzo Natural Group?
2. Does Product Quality has partial significant influence on Purchase Decision at PT Enzo Natural Group?
3. Does Sales Promotion has partial significant influence on Purchase Decision at PT Enzo Natural Group?
4. Does Brand Image, Product Quality and Sales Promotion simultaneous significant influence on Purchase Decision at PT Enzo Natural Group?

1.4 Objectives of the Research

Based on the research problem formulation, the objective of this research are as follow:

1. To find out whether brand image has partial significant influence on purchase decision at PT Enzo Natural Group.
2. To find out whether product quality has partial significant influence on purchase decision at PT Enzo Natural Group.
3. To find out whether sales promotion has partial significant influence on purchase decision at PT Enzo Natural Group.
4. To find out whether brand image, product quality, and sales promotion have simultaneous significant influence on purchase decision at PT Enzo Natural Group.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The overall study of this research is needed to provide a better understanding of how brand image, product quality and sales promotion have influence on Purchase Decision. They are expected to contribute to the existing theories especially to those relevant to brand image, product quality and sales promotion on purchase decision.

1.5.2 Practical Benefit

The following are the practical benefit provide in this research:

1. The writer

This research is expected to expand the writer's knowledge base and new experience about the importance brand image, product quality and sales promotion on purchase decision.

2. For PT Enzo Natural Group

This research is expected to be able to contribute to help PT Enzo Natural Group to increase customer's purchase decision, as well as provide positive things that will increase the customers and sales.

3. For other researchers.

This research is supposed to bring new references and information about brand image, product quality and sales promotion have simultaneously influence on Purchase Decision.