

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of The Study**

The operational level of an organization or company is influenced by logistics activities, which are a major part of the value chain (and are associated with large costs). The logistics discipline is focused on material management and distribution, which helps to support operational and production operations. Indonesia's logistics performance is an important highlight by government and stakeholders in recent years. The latest results from the Logistics Performance Index (LPI) 2023 show a decline in Indonesia's ranking compared to neighboring countries such as Singapore, Malaysia and Thailand. The decline in Indonesia's LPI ranking could be caused by several factors. One of them is the problem of delays in delivery of goods (timeliness) which experienced a decrease in score from 3.7 to 3.3. Supply chain disruption due to the COVID-19 pandemic and world geopolitical instability were the main causes of this decrease in score (shipment tracking) and International Shipments (international shipping) also experienced a decrease in scores.

Because consumer behavior has a significant impact on an organization's ability to survive as one that attempts to satisfy the needs and desires of its customers, every business must comprehend consumer behavior in its target market. Constantly changing conditions result in producers experiencing difficulties in forming and creating purchasing decisions.

Consumers make purchasing decisions when they decide which products to buy. As a result, the process of choosing one of numerous potential problem solutions with actual follow-up is what drives consumer purchasing decisions. Following that, customers can assess their decisions and decide on their next course of action. When making a purchase, consumers undoubtedly employ a sound decision-making process. Stimulus has an impact on the degree of consumer involvement in a transaction. Among several factors that can influence purchasing decisions, this research analyzes purchasing decisions through the variables of promotion, trust and timeliness of delivery.

Promotion is one of the best marketing techniques to encourage purchases. Promotion explains a product's benefits and persuades buyers to buy. Businesses can communicate their products to customers so that they are aware of the range of goods the company sells by keeping an eye on promotional activities and developing promotional tactics. People may become disinterested in purchasing the company's products if they are not properly promoted.

Apart from that, consumer trust is one thing that must be maintained and increased in order to improve purchasing decisions. Consumer trust is the result of consumers' knowledge and all the conclusions they draw about the features, benefits, and contents of a product. Trust is an absolute requirement for the development of a business. More effort is needed to gain, maintain and increase consumer trust. Trust is obtained from the company's efforts to provide satisfaction to its customers. Buyers must feel satisfied so that the company can survive and

develop in a situation of intense competition and gain consumer trust. This can be interpreted as meaning that trust greatly influences purchasing decisions.

In general, the timeliness of delivery of other expeditions is a significant part that must be observed, the timeliness of delivery is the most important. Timeliness of delivery, complaints about transportation delays, and timeliness of delivery are factors, greatly influenced by the type of transportation, by land, weather, and airplane. Of course, these three things will affect the length of time the goods arrive at their destination and the safety of the goods. If the delivery time for goods takes too long to arrive at the customer and they are damaged or even lost, this will of course affect the purchasing decision.

The competition of shipping companies in North Sumatra is very tight, causing PT Benua Samudera Kargo to have to try to build a better promotion strategy, trust and prevent delays in delivery times so that consumers can choose PT Benua Samudera Kargo as their first choice. The following is data on shipping companies in North Sumatra:

**Table 1.1 Data On Shipping Companies In North Sumatra**

<b>Company Name</b>	<b>Address</b>	<b>Types of cargo shipping</b>
PT Andal Bentara Samudera	Jl. Ujung Baru No.1	Ship, Plane, Truck
PT Benua Andalan Samudera	Jl. Letda Sujono No.20	Ship, Plane, Truck, Or Train
PT Benua Samudera Kargo	Jl. Cemara No. 34 G	Ship or Truck
PT Djasa Sumatera	Jl. Krakatau Ujung, No.389A	Ship, Plane, Truck
PT Samudera Berkah Benua	Jl. Komp. Multatuli Indah Blok E20	Ship, Plane, Truck, Or Train

Source : Prepared by the writer (2025)

PT Benua Samudera Kargo is a company located in Medan, North Sumatra, Indonesia, which provides freight forwarding services via land and sea. PT Benua Samudera Kargo was established in 2003 by Susilo Bing Tjai with an office address at Jl. Cemara No. 34 G, Medan. PT Benua Samudera Kargo's business field is

transportation management services. PT Benua Samudera Kargo's main services include shipping sea cargo, with a focus on efficiency and reliability in the freight forwarding process. By establishing this strategy, the company certainly hopes that many consumers will use its services. However, revenue data and data on the number of customers at the company show that in the last 4 years there has been a downward trend. The following is a table of income and number of customers of PT Benua Samudera Kargo.

**Table 1.2 Data on Revenue and Number of Customers of PT Benua Samudera Kargo in North Sumatra, Indonesia from 2020-2024**

Years	Total Income (Rupiah)	Number of Customers (People)
2020	3.474.533.924	426
2021	2.857.381.656	367
2022	1.750.500.000	326
2023	1.400.450.700	301
2024	1.292.500.000	285

Source : PT Benua Samudera Kargo (2025)

Based on Table 1.2 above, it shows that the number of customers and total revenue from 2020-2024 experienced a trend that tended to decrease, it can be seen that in 2021 the company experienced a decrease when compared to 2020. The decrease in the number of customers and total income occurred due to promotions carried out the company has not been seen by customers, there is still low customer trust in PT Benua Samudera Kargo's expedition services and there are frequent delays in the delivery of goods.

Based on the pre-survey in this study, researchers can see the existence of promotion, trust and timeliness of delivery problems as seen from the distribution of questionnaires. The following is the distribution of questionnaires conducted on 30 consumers who use shipping services from PT Benua Samudera Kargo in 2024.

**Table 1.3 Pre-Survey Data from Promotional Questionnaires**

No.	Questions	Yes	No
1	Customers like the shipping service discounts offered by PT Benua Samudera Kargo	24	6
2	PT Benua Samudera Kargo can provide special offers for purchasing shipping services in large quantities	19	11
3	The language quality in PT Benua Samudera Kargo advertising is easy to understand	13	17
4	The image quality of PT Benua Samudera Kargo advertising is very good	12	18
5	PT Benua Samudera Kargo employees are very friendly when greeting potential customers	13	17
6	PT Benua Samudera Kargo employees are able to provide clear information about the shipping service to be selected to customers	18	12
7	PT Benua Samudera Kargo often uses social media as a means of promotion	8	22
8	PT Benua Samudera Kargo's special promo information on Instagram or Facebook is clear and always updated	7	23

Source : PT Benua Samudera Kargo (2025)

Based on the table above, it is obtained a description of the promotional problems that occur at PT Benua Samudera Kargo located in the segmentation of service users. Although currently PT Benua Samudera Kargo is adding promotional media through social media such as Instagram, Facebook, Banners, Banners, Newspapers, Radio and WhatsApp, but this media also has weaknesses in reaching the expected segment, such as promotional language that is still not understood by consumers, the quality of promotional images that are still less competitive with other company promotions and the lack of clear information and not always updating the promotion of goods delivery services causes consumers not to be interested in using services at PT Benua Samudera Kargo.

**Table 1.4 Pre-Survey Data from Trust Questionnaires**

No.	Questions	Yes	No
1	Consumers feel that PT Benua Samudera Kargo's shipping service information is very clear compared to other companies	9	21
2	Consumers feel that PT Benua Samudera Kargo employees' knowledge is good in providing services	10	20
3	Consumers feel that PT Benua Samudera Kargo employees are honest in their work	13	17
4	Consumers feel that PT Benua Samudera Kargo is a trusted shipping service company in Medan	14	16
5	Consumers feel that PT Benua Samudera Kargo's shipping service meets customer expectations	10	20
6	Consumers feel that PT Benua Samudera Kargo can help with shipping service problems	7	23

Source : PT Benua Samudera Kargo (2025)

Based on the table above, we get a picture of the problem of trust that lies in the service and information on shipping services from PT Benua Samudera Kargo. The problem is that consumers feel that the service provided by PT Benua Samudera Kargo does not meet consumer expectations, such as PT Benua Samudera Kargo cannot guarantee the safety of goods to their destination with a guarantee that the packaging of the goods is not damaged. This also reduces consumer confidence in using shipping services at PT Benua Samudera Kargo. In addition, consumers are less confident that employees have good knowledge in providing information about the shipping process so that consumers are less interested in buying services at PT Benua Samudera Kargo.

**Table 1.5 Pre-Survey Data from Timeliness Of Delivery Questionnaires**

No.	Questions	Yes	No
1	Transportation used by PT Benua Samudera Kargo is sufficient to deliver goods to their destination	17	13
2	Consumers using shipping services from PT Benua Samudera Kargo are always in good packaging	11	19
3	Goods received are in accordance with the estimates given by PT Benua Samudera Kargo	9	21
4	Shipping by PT Benua Samudera Kargo is always carried out with very fast delivery times	8	22
5	The costs charged to customers are measured by the distance the goods are delivered to the recipient	7	23
6	The distance of delivery of goods to the destination is in accordance with the estimated delivery time desired by the consumer	6	24

Source : PT Benua Samudera Kargo (2025)

Based on the table above, the problem of late delivery of goods is a common occurrence in shipping service providers. However, this does not happen every day, but rather on certain events such as national online shopping day which is held every December 12th. After December 12th, it is certain that the demand for shipping goods will increase, usually this case is accompanied by limitations or incompatibility of the number of employees with the number of goods to be sent,



as a result this can cause delays in delivery times. In addition, the lack of conformity of the distance of shipping goods to the destination with the estimated delivery time desired by the consumer causes the delivery of goods not to arrive on time

Based on the description above, the writer wants to conduct the research with the title **“The Effect Of Promotion, Trust And Timeliness Of Delivery On The Decision To Purchase At PT Benua Samudera Kargo In North Sumatra, Indonesia”**.

## **1.2 Problem Limitation**

The authors established variable problem limits on promotion, trust, and timeliness of delivery as independent variables (X) and purchasing decisions as dependent variables (Y) due to time and ability constraints. The indicator of promotion are sales promotion, advertising, personal selling and direct marketing (Lamb, 2020). According to Kotler et al. (2022), three indicators of trust are competence, honesty and benevolence. Deviana & Desitama (2023) stated that indicators timeliness of delivery are transportation used, estimated time for the goods to reach the recipient and distance traveled. Indicators of purchasing decisions are problem or need recognition, information search, alternative evaluation, purchase decision and post-purchase behavior (Czinkota et al., 2021). The population in this research is consumers who make purchase decision at PT Benua Samudera Kargo in 2024 and sample is determined using simple random sampling. The samples that are going to be analyzed are limited to certain criteria; long time being a consumer, payment system, income per month.

### 1.3 Problem Formulation

The following are some of the elements that help a business improve purchasing decisions: timely delivery, advertising, and trust. The following is how the problem in this research is formulated based on the background that the writers previously described:

- a. Does the promotion have a partial effect on the decision to purchase at PT Benua Samudera Kargo in North Sumatra, Indonesia?
- b. Does the trust of delivery have a partial effect on the decision to purchase at PT Benua Samudera Kargo in North Sumatra, Indonesia?
- c. Does the timeliness of delivery have a partial effect on the decision to purchase at PT Benua Samudera Kargo in North Sumatra, Indonesia?
- d. Do the promotion, trust and timeliness of delivery have simultaneous effect on the decision to purchase at PT Benua Samudera Kargo in North Sumatra, Indonesia?

### 1.4 Objective of the Research

The objective of this research is :

- a. To find and analyze how the promotion have a partial affect the decision to purchase at PT Benua Samudera Kargo in North Sumatra, Indonesia.
- b. To find and analyze how the trust have a partial affect the decision to purchase at PT Benua Samudera Kargo in North Sumatra, Indonesia.



- c. To find and analyze how the timeliness of delivery have a partial affect the decision to purchase at PT Benua Samudera Kargo in North Sumatra, Indonesia.
- d. To find and analyze how the promotion, trust and timeliness of delivery have a simultaneous affect the decision to purchase at PT Benua Samudera Kargo in North Sumatra, Indonesia.

## **1.5 Benefit of The Research**

It is expected that this research will have both direct and indirect consequences on education, depending on its objectives. The advantages of this study include the following:

### **1.5.1 Theoretical Benefit**

The theoretical benefits of this research are expected to increase insight and knowledge for researchers regarding the effect of promotion, trust and timeliness of delivery on the decision to purchase at PT Benua Samudera Kargo in North Sumatra, Indonesia.

### **1.5.2 Practical Benefit**

The practical benefits of this research are

- a. For PT Benua Samudera Kargo, it is hoped that the results of this research can be used by the management of PT Benua Samudera Kargo as additional information and considerations or input to improve promotions, trust and

timeliness of delivery in order to create interest for customers and potential customers in the decision to use PT Benua Samudera Kargo services.

- b. For writers, as part of the prerequisites for earning a bachelor's degree, writers can expand and enhance their understanding of marketing, specifically in relation to the impact of promotion, trust, and timely delivery on consumer decisions.
- c. For other researchers, I hope that the findings of this study will be helpful to other researchers as a point of comparison, ideas, and things to think about while doing additional research.

