

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In the business, the customer is king. This expression illustrates the importance of the purchaser or customers for the company. This obviously makes companies vying to win customers buy and use the products offered. Therefore, the company is exerting every effort to understand customers behavior, to know what he needs, what taste and how he took the decision, as well as knowing the various changes in the business environment so as to compete with other companies, as well as producing goods and services according to the needs and desires customers (Herawati & Muslikah, 2019).

Customer satisfaction is a measure of how happy customers are with a company's products, services, and capabilities. It's an important factor in a business's ability to increase sales. Customer satisfaction is a measure of how happy customers are with a company's products, services, or experiences. It's important for businesses because it can help them retain customers, improve their products and services, and attract new customers.

PT Autostar Mandiri Teknotama (AMT) is a company that distributes auto parts. AMT was established in 1999 and is a Parts Dealer of PT Astra International. PT. Autostar Mandiri Teknotama is a company engaged especially in the field of four-wheeled spare parts distributors branded of Toyota, Isuzu, Daihatsu, Mitsubishi and Nissan the company is enlivened the competition in the

four-wheeled spare parts industry in Indonesia which is currently very tight competition. PT Autostar Mandiri Teknotama is a company engaged in spare parts. The business model applied by PT Autostar Mandiri Teknotama is classified as business-to-business (B2B), with a focus on providing products and services to corporate customers and official distributors instead of directly targeting end consumers. Based on a survey conducted that there is a decrease in customer satisfaction of PT Autostar Mandiri Teknotama.

Based on survey this decrease in customer satisfaction can be indicated by a decrease in sales of toyota brand spare parts, as we can see from the data table below in each year.

Table 1.1 Sales Data at PT Autostar Mandiri Teknotama 2022-2024

Year	Brand	Annual Realization
2022	Daihatsu	52.648.711.050
	Toyota	51.864.469.500
	Mitsubishi	19.054.115.600
2023	Daihatsu	50.245.654.780
	Toyota	49.953.415.400
	Mitsubishi	20.768.934.500
2024	Daihatsu	52.117.394.200
	Toyota	40.763.518.650
	Mitsubishi	21.519.874.040

Sources: PT Autostar Mandiri Teknotama, (2025)

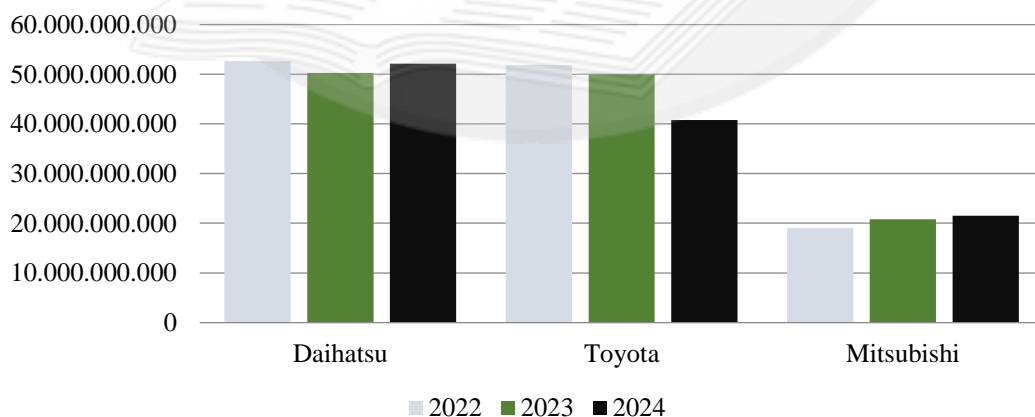


Figure 1.1. Sales Data at PT Autostar Mandiri Teknotama

Sources: PT Autostar Mandiri Teknotama, (2025)

It can be seen that the three brands that customers are most interested in such as Daihatsu, Toyota and Mitsubishi have different trends in conditions for achieving sales targets achieved from 2022-2024. From the figure above, it can also be seen that the sales of the Daihatsu brand has fluctuated, but it is inversely proportional to the condition of Mitsubishi which is experiencing good sales performance. For Toyota, the condition of achieving sales has decreased from 2022-2024 and has the lowest target achievement in 2024. Of course, from this data it can be concluded that there is a decrease in customer satisfaction which causes a decrease in repeat purchases, as can be seen from the data above the significance dropping of sales from 2022-2024.

In the spare part industry, service quality has a significant impact on customer satisfaction. Good service can improve client experiences, encourage customer loyalty, and set a business apart from its rivals. There are three stages to this process such as pre-sale, during-sale, and post-sale. According to (Andre & Jessica, 2020), services of high quality that prioritize meeting client wants and needs while maintaining delivery precision to meet or exceed client expectations.

Service quality at PT Autostar Mandiri Teknotama is often still unsatisfactory. This can be seen from the data that there is an increase in complaints from customers to the company, especially the highest is complaints related to customers who trade in Toyota brand spare parts. The following data on the number of customer complaints can be found in table 1.2.

**Table 1.2. Number of Customer Complaints (Toyota Brand)
PT Autostar Mandiri Teknotama
2022-2024**

Year	Number of Customers	Total
2022	218 Customers	24 Complaints
2023	194 Customers	31 Complaints
2024	183 Customers	42 Complaints

Sources: PT Autostar Mandiri Teknotama, (2025)

Table 1.2 shows that customer complaints have increased a lot every year. Service quality at PT Autostar Mandiri Teknotama is often still unsatisfactory. Since PT Autostar Mandiri Teknotama still relies on traditional methods for recording product returns and verifying authenticity, the process of preparing and submitting reports to management takes time for approval. Although PT. Autostar uses a FoxPro-based computer system, the technology cannot fully support the company's customer return policy. PT. Autostar Mandiri Teknotama dissatisfaction with the quality of service is also caused by the distribution time which is often late from the date of enlargement. For example, if a customer places an order on January 2nd, the spare parts are delivered on January 4th or later. This delay is due to the absence of information provided to customers so that customers feel that responsiveness is still low. Overall, the exchange process for warranty-covered products is slow and does not meet customer expectations because Toyota cannot provide a specific timeframe for the exchange. There are often discrepancies in the estimated time given, and due to high customer demand, PT. Autostar's stock is either insufficient or unavailable in large quantities. Additionally, when PT. Autostar place an order for spare parts, it takes time for the products to arrive.

Figure 1.2 Sparepart Toyota
Sources: PT Autostar Mandiri Teknotama, (2025)

The brand image for Toyota spare parts has decreased, although it is known for its cheaper price compared to other brands. However, the phenomenon of the brand image of Toyota spare parts is starting to be negative due to information circulating among customers that there are many fake Toyota spare parts circulating in Medan. These fake parts are dangerous because their quality cannot be guaranteed. Another phenomenon is that various parts are delayed due to very long product indents, chip shortages can also affect the availability of Toyota parts.



Figure 1.3 Original and Fake Product of Sparepart Toyota
Sources: PT Nusantara Autopart Persada, (2025)

Figure 1.3. shows that original and counterfeit products have the same resemblance and similar product quality but have a lower price than Toyota. Of course, because of the increase in this case, the brand image of Toyota spare parts has decreased, some customers are attracted to counterfeit Toyota spare parts due to their lower price and similar appearance. However, the quality often disappoints them or fails to meet their expectations since the product is not genuine. Additionally, some customers buy these fake parts simply because they cannot distinguish between the original and counterfeit versions, for instance, if a customer wants to initiate a return, PT. Autostar employees will verify the

product's authenticity by scanning the barcode on the packaging and checking the sales date in the system. The second step involves confirmation based on the mechanic's expertise.

Personal selling compared to other promotional mix elements is fundamentally unique. While advertising and sales promotion focuses on creating awareness about a product's existence providing information on product features, availability and pricing in bulk, personal selling is an individualistic approach that deals with individual customers. Personal selling is a face-to-face meeting that causes communication between the seller and the buyer designed to cause a purchase to the consumer. In general, if a product has a high unit value and requires demonstration of its benefits, then the product is suitable for personal selling. Conditions that favor personal selling can be grouped into four broad categories: market conditions, product conditions, consumer conditions and company conditions (Brahim, 2021).

**Table 1.3 Sales Target for Personal Selling Staff
PT Autostar Mandiri Teknotama
2022-2024**

Year	Brand	Annual Target	Annual Realization	Percentage of Achievement (%)
2022	Daihatsu	Rp. 70.000.000.000	Rp. 52.648.711.050	75,21%
	Toyota	Rp. 60.000.000.000	Rp. 51.864.469.500	86,44%
	Mitsubishi	Rp. 25.000.000.000	Rp. 19.054.115.600	76,22%
2023	Daihatsu	Rp. 70.000.000.000	Rp. 50.245.654.780	71,78%
	Toyota	Rp. 60.000.000.000	Rp. 49.953.415.400	83,26%
	Mitsubishi	Rp. 25.000.000.000	Rp. 20.768.934.500	83,08%
2024	Daihatsu	Rp. 70.000.000.000	Rp. 52.117.394.200	74,45%
	Toyota	Rp. 60.000.000.000	Rp. 40.763.518.650	67,94%
	Mitsubishi	Rp. 25.000.000.000	Rp. 21.519.874.040	86,08%

Sources: PT Autostar Mandiri Teknotama, (2025)

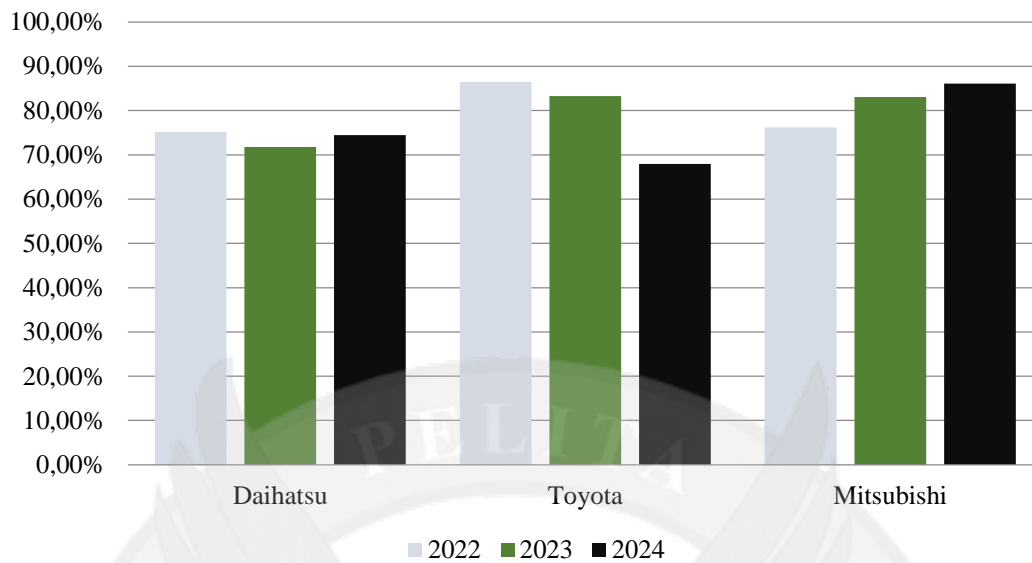


Figure 1.4 Percentage of Sales Target Achievement at PT Autostar Mandiri Teknotama
 Sources: PT Autostar Mandiri Teknotama, (2025)

Figure 1.4 shows that the release of sales data from the personal selling staff that cannot reach the target set. The realization of achieving the highest sales target was in 2022 at 86.44%. But in 2024, the lowest achievement was 67.94%. From these data, it can be concluded that the performance of sales staff is not optimal. It can be because of the company often recruit sales staff who have minimal experience in working in the field of marketing. Other problems also found that employees are not effective in resolving problems from customers regarding defective products, incomplete explanation of promotional information, often do not provide various rewards that customers should get such as Toyota parts shirts, umbrellas, brochures, calendars and so on. The unachieved personal selling target is thought to be due to the ineffectiveness of personal selling employees in solving customer problems. These problems trigger dissatisfaction with personal selling and resulted in customers satisfaction.

Based on the background study, the writer is interested to conduct research with the title: **“The Influence of Service Quality, Brand Image and Personal Selling towards Customer Satisfaction at PT Autostar Mandiri Teknotama.”**

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: service quality, brand image and personal selling as independent variable while customer satisfaction as dependent variable to limit the problem. The brand studied is Toyota spareparts.

1.3 Problem Formulation

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

- a. Does Service Quality have partial influence towards Customer Satisfaction at PT Autostar Mandiri Teknotama?
- b. Does Brand Image have partial influence towards Customer Satisfaction at PT Autostar Mandiri Teknotama?
- c. Does Personal Selling have partial influence towards Customer Satisfaction at PT Autostar Mandiri Teknotama?
- d. Do Service Quality, Brand Image and Personal Selling have simultaneously influence towards Customer Satisfaction at PT Autostar Mandiri Teknotama?

1.4 Objective of the Research

The objective of the research as follow:

- a. To analyze whether the Service Quality have partial influence towards Customer Satisfaction at PT Autostar Mandiri Teknotama.
- b. To analyze whether the Brand Image have partial influence towards Customer Satisfaction at PT Autostar Mandiri Teknotama.
- c. To analyze whether the Personal Selling have partial influence towards Customer Satisfaction at PT Autostar Mandiri Teknotama.
- d. To analyze whether the Service Quality, Brand Image and Personal Selling have simultaneously influence towards Customer Satisfaction at PT Autostar Mandiri Teknotama.

1.5 Benefit of the Research

The research can be classified into two groups of benefits, namely: theoretical and practical benefits:

1.5.1 Theoretical Benefit

The author aspires to the successful conclusion of this research in order to enhance understanding of the potential impact of service quality, brand image and personal selling on customer satisfaction. Furthermore, it is anticipated that this investigation will furnish readers or researchers who are interested in conducting a similar or related subject in the future with supplementary information.

1.5.2 Practical Benefit

The following are the practical benefits of this study:

a. For PT Autostar Mandiri Teknotama

The researcher expects the result from this study could benefit the business to evaluate, and take the result as suggestion to know the influence of service quality, brand image and personal selling towards customer satisfaction. Moreover, the discoveries will assist PT Autostar Mandiri Teknotama in strategically allocating resources and optimizing their marketing endeavors, after sales service, ultimately leading to a more robust competitive position in the market. By gaining a deeper understanding of client preferences and expectations, the organization may make well-informed decisions that are in line with business objectives and promote long-term success.

b. For the Writer

The primary objective of this research is to analyze the methods for developing a thesis in the future, to enhance understanding regarding the spare part industry particularly in Medan, and to comprehend the influence of service quality, brand image and personal selling towards customer satisfaction.

c. For Future Researches

Insights that the writer wants to deliver from the study titled influence of service quality, brand image and personal selling towards customer satisfaction can be useful for many people. Researchers in the field of marketing and business studies can use the findings to learn more about the connections between service quality, brand image, personal selling, and customer satisfaction, and can be use as a guidance for future writers.