

# CHAPTER I

## INTRODUCTION

### 1.1 Background

In the current food industry competition promises a new opportunity and challenge where a market segment owned by each business can spread widely, this situation results in increasingly strong business competition. Many businesses are competing to attract the attention of consumers from competitors with the aim of maintaining and enhancing their business image. The way to achieve success in running a business is by carrying out marketing activities.

Many businesses compete with each other to win the best product position. One of the food products that has good marketing potential is the noodle product. The complex nature, including packaging, color, price and retailer accepted by the buyer to satisfy his desired needs. Customers will feel satisfied if the results of their evaluation show that the products they use are of quality. Like the sago noodle product, which is a product that is able to steal the attention of consumers and its competitors and has good quality in the eyes of customers in Selatpanjang.

Tabel 1.1 Selatpanjang sago noodle business

No	Nama Usaha	Alamat
1	Mie Sagu Pohon Rumbia	Jl. Banglas
2	Mie Sagu Baang Aji	Jl. Banglas
3	Mie Sagu Meranti (Cap Tanjak)	Jl. Pusara
4	Mie Sagu Cap Tiga Putra	Jl. Rintis Laut
5	Mie Sagu Cap Jempol	Jl. Mahmud Ujung
6	Mie Sagu ER	Selatpanjang

*Suource: Selatpanjang souvenirs*

Product quality is an important concern for companies in creating a product. Quality products are the main criteria for consumers in selecting products offered by a business. Every business maintains and improves product quality in order to meet consumer desires. With quality products, businesses can compete with competitors in controlling market share.

Paying attention to quality will have a positive impact on the business in two ways, namely the impact on production costs and the impact on income. The impact on production costs occurs through the manufacturing process of products that have a high degree of conformation to standards so that they are free from damage levels. The impact on increasing revenue occurs through increased sales of quality products with competitive prices. By paying attention to the aspect of product quality, the business objectives of obtaining optimal profits can be fulfilled while at the same time meeting consumer demands for quality products and competitive prices.

One of the activities in creating quality to conform to predetermined standards is by implementing an appropriate quality control system, having clear objectives and stages, and providing innovation in preventing and solving problems faced by the company. Quality control activities can help companies maintain and improve the quality of their products by controlling the level of product damage to the best achievement by making continuous improvements.

Purchase interest is part of the behavioral component of consumer attitudes in consuming a product. Purchase interest is a part of consumer behavior component in consuming attitude, the tendency of the response to act before the buying decision is actually implemented. Meanwhile, repurchase interest is a purchase interest based on previous purchasing experience. With experience in buying products, consumers can know the perceived value of the product. In addition, retaining existing customers is much more important to the company than finding new customers, it may cost more to acquire a new customer than to retain an existing customer.

Sago noodles in Selatpanjang, Meranti Islands Regency have two kinds of shapes or types. Types of wet sago noodles have a larger size than dry sago noodles. Although this sago is only found in Indonesia, such as Maluku, Irian Jaya and Riau, the area that really makes sago into Sago Noodles is the Maranti Islands Regency.

Sago noodle products in Selatpanjang have been traditionally developed at a household scale and the production and marketing kajan are still very limited.

The Riau Sago Noodle agroindustry faces many obstacles such as continuity of production, high marketing costs, simple packaging and does not include business permits, halal labels, validity period, trademarks, and composition of Sago Noodles.

Based on the problems and phenomena that often occur in the current era on product quality, the researchers are interested in conducting research on "**The Effect of Product Quality on Customer Buying Interest in Sago Noodle Products at Selatpanjang**".

## **1.2 Formulation of the Problem**

Based on the background that has been stated above, the following problems can be formulated:

How is the effect of product quality on consumer buying interest in Sago Noodle products in Selatpanjang?

## **1.3 Purpose of the Study**

This study aims to determine and obtain more detailed information about the effect of product quality on purchase intention, namely:

1. To find out the factors that affect product quality on buying interest in Sago Noodle products in Selatpanjang?
2. To determine the effect of product quality on consumer purchase interest?

## **1.4 Significance of the Study**

Research conducted by researchers will provide several benefits and uses for various parties, including:

1. As information material for the general public in determining policies to buy Sago Noodle products in Selatpanjang.
2. As a reference material for other research who wants to do the same research or a continuation of this research.
3. For the author, as material in the application of knowledge gained during lectures at the Department of International Business Administration at Bengkalis State Polytechnic.

## **1.5 Scope and Limitation of the Problem**

In accordance with the problems and objectives of this study, the scope and limitation of this research problem is limited to the analysis of the effect of product quality on consumer buying interest in sago noodle products in Selatpanjang. In order for this research to be more focused, perfect and in-depth, the authors view the problems in this research that need to be limited by variables. Therefore the author is only concerned with "Analysis of the Effect of Product Quality on Consumer Purchase Intention of Sago Noodle Products in Selatpanjang".

## **1.6 Writing System**

In this study, so that this discussion can be discussed in more detail and systematically, the authors divide it into three chapters, where in each chapter, all of which are an interconnected unit. With a deafness framework as follows:

### **CHAPTER I : INTRODUCTION**

In this chapter, it is stated about the background of the problem, the formulation of the problem, the objectives and benefits of the research and the research systematics.

### **CHAPTER II : LITERATUR REVIEW**

This chapter contains previous research, literature review and framework of thought. And all the issues discussed are summarized in this literature review.

### **CHAPTER III : METHOD AND PROCESS OF COMPLETION**

This chapter describes the location and object of research, types and sources of data, population and samples. sampling techniques, data collection techniques, data management techniques, scale measurement, validity and reliability testing, data analysis methods, research hypotheses, research models, types of research, definition of concepts and operational variables and research schedule and budget.

#### **CHAPTER IV : RESEARCH RESULTS AND DISCUSSION**

This chapter contains the results and discussion. The results of this final project contain data that includes, among other things: to determine the effect of product quality on consumer buying interest in sago noodle products.

#### **CHAPTER V : CONCLUSIONS ANG SUGGESTIONS**

In this chapter the writer will describe the conclusions obtained from the discussion and the suggestions that will be conveyed by the author.

