

# CHAPTER I

## INTRODUCTION

### 1.1 Background

Technological advances are increasingly developing to provide convenience for humans. The rapid development of technology makes humans creatures with unlimited needs, hoping that there will always be new technologies that can meet these needs. However, consumers will be selective in consuming goods or services that the company wants to meet their needs. Motorcycles are one of the results of technological advances in the automotive sector. Judging from the size, price, and operation, the motorcycle is a very important practical means of transportation. People use motorbikes to help with their activities, whether it's work, trading, and various other activities that require transportation (Wahyuningsih, 2019).

The development of the business world in the current era of globalization is increasingly sharpening competition, especially in the management of automotive company units. This is characterized by the emergence of companies that offer quality types of products at various competitive prices in the market. Basically, the purpose of establishing a company is to seek profit as much as possible. Quality products are the main key in winning market competition, which can attract consumers to make purchases. The success of a company to achieve its goals is strongly influenced by the ability to provide prices that are in accordance with the quality of its products, aiming to meet consumer expectations (Hilmawan, 2019).

One type of automotive that is widely favored by Indonesians is motorcycles. Motorbikes seem to be the main needs of the Indonesian people, this is none other than because of the practicality of use, speed and mobility. Another reason that makes motorbikes popular is that the price offered for standard types of motorbikes such as matic or duck type motorbikes is an economical price compared to cars (Dewi, 2022).

Motorcycles are still the most popular means of transportation in Indonesia, as evidenced by the large number of them that are easily found on the streets. One of the reasons is because they are affordable, so the number is increasing from year to year. Around 85% of households in Indonesia own at least one motorcycle. If you look at the data published by the Indonesian Motorcycle Industry Association (AISI), the circulation of motorcycles continues to increase every year. In 2018, motorcycle sales reached 6,383,108 units. Then, in 2019 there was a slight increase to 6,487,460 units. Only in 2020, sales only reached 4,361,008 units (Satria, 2021). The high number of motorcycle users makes Indonesia the right target market for motorcycle manufacturers. Until now, there are five motorcycle brands circulating in Indonesia, one of which is Yamaha (Ngabeti et al., 2023).

Yamaha is one of the motorcycle brands in Indonesia. Yamaha sells three different motorbike models in Indonesia: automated motorcycles, sports motorcycles, and duck motorcycles. In terms of the automobile industry, Yamaha is a developing corporation that is conscious of its rivals. Yamaha consistently expresses confidence and hopes to keep giving its clients the finest possible service (Wibisono and Budiatmo, 2020).

The current phenomenon, for example, is related to changes in consumer tastes in purchasing motorbikes, especially matic motorbikes. Based on data obtained from the website [yamaha-motor.co.id](http://yamaha-motor.co.id), in 2003 Yamaha released the Mio motorbike as the best-selling automatic motorbike in Indonesia. The launch of the Yamaha Mio was very successful and legendary, as well as being the pioneer of the automatic motorbike trend in Indonesia. This then slowly changed the paradigm of motorbike users who were originally more familiar and used to using manual motorbikes then slowly switched to automatic motorbikes. Then reported from the website [gridoto.com](http://gridoto.com), in 2006 Honda released its first automatic motorbike, the Honda Vario which was selling well in the market and became the main competitor of the Yamaha Mio at that time. The competition from the two motorcycle manufacturers continues to this day, especially in the matic motorcycle market segment. In 2010 until now, the manual motorcycle trend has been replaced by the matic motorcycle trend. This is inseparable from the hustle and bustle of the city

and the ease of using an automatic motorcycle which causes consumers to switch (Rokhmawati et al., 2022).

Automatic motorcycles continue to be a favorite among automatic motorcycle enthusiasts since they are thought to be more useful and comfortable to use. Yamaha N-max is one brand of matic bike offered in Indonesia. The N-max motorbike is a pioneer of the matic type with a large motorcycle body (MOGE), providing a new environment for automatic motorcycle enthusiasts who now have nearly identical shapes as different types of automatic motorcycle companies. Yamaha N-max has gained popularity since its inception in 2015 as a result of its unique benefits and excellent product qualities when considered from a quality and quality perspective. In terms of benefits and other factors, and particularly in terms of a more appealing shape, features, reliability, function, and applied technology (Yuniarto and Hasanah, 2020).

The increasing need for motorbikes means that producers must also be able to implement the right marketing strategy in order to create or foster consumer buying intentions. Purchase intention can be interpreted as a person's tendency to buy the brand he likes best (Kotler and Armstrong, 2014). Purchase intentions are formed by many triggers both from within consumers, the environment and marketing stimuli that have been designed. The process of forming purchase intention itself is in the alternative evaluation stage. This evaluation can be used as a reference in generating the intention to buy a particular brand. A company should be able to do several ways that attract consumer attention to trigger consumer decisions to buy a product. Companies are also required to be able to provide information to consumers about everything related to these products (Firmansyah, 2016) in Yuniarto and Hasanah (2020). Consumer purchase intention itself can be influenced by several factors such as social factors, price, and product features.

Social factors are a group of people who together consider close similarities in formal and informal community status or respect (Lamb et al., 2001) in Hudani (2020). Social factors can be seen from relationships with friends, family and parents in influencing purchasing intentions. The higher the relationship with friends, family and parents, the higher the consumer's decision to make a purchase.

This statement is then clarified by Kotler and Keller in Irwan (2019), stating that consumers can purchase goods, services, etc. directly from a seller online without the use of a middleman.

In addition to social factors, price review is also increasingly important. Yamaha believes that setting the right price needs great attention. Yamaha NMAX has prices that vary according to the type of motorbike, the higher the type, the higher the price of the Yamaha NMAX motorbike (Mailani, 2023). If the price set by the company is right and in accordance with consumer purchasing power, then the selection of a particular product will be dropped on that product (Swastha, 2001) in Meto (2023). Companies set prices for various considerations, seen from the value, benefits, and product quality. Yamaha NMAX motorbikes have advantages, including a luxurious design, easy to modify, and sophisticated engines so that they have their own special appeal for young people today.

In addition to social and price factors, the completeness of supporting features will be able to add to the main functions and benefits of a product. Features are often used by companies to differentiate products owned by the company from products owned by competitors. Being the first company to introduce products with new features and according to consumer needs is one of the effective ways to compete. Products equipped with sophisticated features can trigger consumer buying interest, from this buying interest will ultimately lead to a decision to buy the product.

State Polytechnic of Bengkalis is a state polytechnic in Riau province. The State Polytechnic of Bengkalis campus is located in Bengkalis Regency, Riau, Indonesia. This campus is one of the favorite and elite colleges on the island of Bengkalis. The students don't only come from the local area, but there are lots of people from outside the island who study at this campus. The reason the researchers chose this campus as the research location was because the number of students using Yamaha NMAX motorbikes had increased.

Based on the explanation above, this study aims to find out how: **“The Effect of Social Factors, Prices, and Product Features on Purchase Intention of Yamaha NMAX Motorcycles at State Polytechnic of Bengkalis Students”**

## **1.2 Formulation of the Problem**

Based on the described background of the problem above, this study describe the effect of social factors, prices, and product features on purchase intention of Yamaha NMAX motorcycles at State Polytechnic of Bengkalis students. Therefore, the formulation of the problem of this study are:

1. Does social factors effect on purchase intention of Yamaha NMAX motorcycles?
2. Does prices effect on purchase intention of Yamaha NMAX motorcycles?
3. Does product features effect on purchase intention of Yamaha NMAX motorcycles?
4. Does social factors, prices, and product features effect on purchase intention of Yamaha NMAX motorcycles?

## **1.3 Purpose of the Study**

Based on the described background, this study describes the effect of social factors, prices, and product features on purchase intention of Yamaha NMAX motorcycles at State Polytechnic of Bengkalis students. Therefore, the purpose to be achieved in this study are:

1. To determine the effect of social factors on purchase intention of Yamaha NMAX motorcycles
2. To determine the effect of prices on purchase intention of Yamaha NMAX motorcycles
3. To determine the effect of product features on purchase intention of Yamaha NMAX motorcycles
4. To determine the effect of social factors, prices, product features on purchase intention of Yamaha NMAX motorcycles

#### **1.4 Significance of the Study**

Based on the identification, this study expects to provide significant information for several parties:

1. For the Company

The results of this research are expected to be used as input and material for development for Yamaha NMAX management as a source of information and how Yamaha companies formulate appropriate marketing strategies in dealing with company problems.

2. For Other Parties

This research is expected to be a reference material that can provide views or thoughts and ideas for other research according to the type of research. This research is useful for adding information in increasing consumer purchase intentions.

3. For Researchers

This research is expected as a way to apply the knowledge gained by researchers during lectures with practice in the field so that it can add experience and insight for researchers in understanding the influence of social factors, prices, and product features, especially in Yamaha NMAX products at the State Polytechnic of Bengkalis.

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

Based on the identification of the problems above, this study only focuses on determining the effect of social factors, prices, and product features on purchase intention of Yamaha NMAX motorcycles at State Polytechnic of Bengkalis students.

## **1.6 Writing System**

The systematic of writing a report on the undergraduate thesis success to make it easier, the author divide the 5 chapters in detail as follows:

### **CHAPTER I: INTRODUCTION**

This chapter present matters regarding the background of the problem, the formulation of the problem, the research objectives, the benefits of the research, the scope and limitations of the problem and the systematics of writing.

### **CHAPTER II: LITERATURE REVIEW**

This chapter contains a description of the theory, theoretical frameworks and research hypotheses.

### **CHAPTER III: RESEARCH METHODOLOGY**

This chapter suggest the types and sources of research data, population and samples, data collection methods, research and measurement variables, and data analysis techniques.

### **CHAPTER IV: RESULT AND DISCUSSION**

This chapter contains descriptions of data, descriptions of respondents' answers, descriptions of research instruments, and results of data analysis.

### **CHAPTER V: CONCLUSION AND SUGGESTION**

This chapter contains conclusions and suggestions on the research results and conclusions.