

# CHAPTER I INTRODUCTION

## 1.1 Background

Rindy's shop is one of the most comprehensive stores that provide various necessities of life, especially food ingredients. In terms of attracting customers, Rindy's shop business to attract consumers who buy food is to influence consumers in making purchasing decisions through sales promotion activities. This research is based on purchasing and promotional activities, particularly purchasing decisions. Activities carried out in promotion are providing information to potential customers. For costs, promotions can be done by utilizing the existing space in the store. One of the right strategies is to use Point Of Purchase, namely communication at the place of purchase that combines displays and signage to improve the atmosphere of consumer communication while in the store.

A product that is supported by Point Of Purchase has a stronger position in influencing consumers in choosing the product to be purchased. Activities carried out can be in the form of product arrangement so that it is easy to see and reach by shop visitors, Ease of finding goods, a shop atmosphere that is not hustle and bustle, prices, various choices of goods, services offered, attractive shop appearance and also salespeople.

In addition, consumer behavior is influenced by the level of age and life cycle stage, occupation, economic or income conditions, lifestyle, personal concepts, perceptions, education, beliefs and beliefs. Consumer behavior in choosing products rise because of a need, and these needs try to be satisfied by looking for certain benefits from the product offered at the cost. Solution for product selection is obtained from the product as a series of attributes (product characteristics and characteristics). A person who will buy will evaluate and assess the product to be selected.

Indoor advertising media in the form of Point of Purchase is carried out by

utilizing rooms in the store, namely through the arrangement of food products in place that is easily seen and reached by shop visitors will encourage consumers to buy and can increase the appeal of the product. Then near the product, information signs (signage) such as price, promotion, quality, and excellence are given so that consumers know the added value of the product. Next, music and video (Point of Purchase advertising) are given to build a comfortable and relaxed shopping atmosphere. Various advertising media above can be attempted to influence consumer interest in buying products.

Point Of Purchase is expected to be able to provide a message or information that wants to be communicated to consumers so that consumers are more interested in buying their needs at Rindy's Store. By displaying goods and arranging items neatly by type, directions for the location of the goods in the form of a writing board that hangs right above the pointed item, which makes it easier for consumers to find their needs. As well as strategic room arrangements and architects using wall paint colors cool can attract consumer attention. Through these activities, it is hoped that stimulation will be created to consumers who influence purchasing decisions at Rindy's Store.

Point of purchase (POP) is a material or material used to attract buyers' attention to the brand, inform the main benefits of the brand, or display price information. One of the company's goals is to maintain the existence of its performance to achieve a certain growth rate. The company will try to dominate market share with various points of purchase and also services with the ultimate goal of obtaining maximum profit with optimal performance efficiency levels Semenik et al in Putra, et al (2020).

Many factors influence consumer behavior in purchasing decisions for goods or services. Studying and analyzing consumer behavior in purchasing decisions for goods or services is important, because with a good basic knowledge of consumer behavior will be able to provide meaningful input, one that influences consumer behavior in purchasing decisions is point of purchase planning.

This is where a marketing manager who has thorough knowledge of

consumer behavior is needed in order to provide a good market definition to keep up with this continuous change, as well as to design the right point of purchase (POP), as for the measurement of the point of purchase (POP) includes ; signage and display.

Signage is a point of purchase (POP) in the form of signs about a product that is in a store, such as price information, the advantages of a certain product and others. With this information, consumers will find it easier to get information and match the items needed. Signage consists of several types, namely posters, which are pictures to attract the attention of consumers in the store and support the arrangement of goods more attractive. The price tag is information about the price of a product, which allows consumers to easily consider buying. Signage indicators consist of: posters, price tags, promotional boards and product layout signs Terence A. Shimpm in Putra, et al (2020).

Display is an effort made to organize goods that directs buyers to be interested in viewing and buying. Display is a display or layout of merchandise to attract consumer buying interest in order to create purchases. The purpose of the display is to attract buyers' attention by using colors, lights and so on and creating a desire to have the items on display in the store, after entering the store, then making a purchase Display indicators consist of: Window Display, Interior Display and Exterior Display Terence A. Shimpm in Putra, et al (2020).

In this store also changes the signage a maximum of 2 months, because it still uses a manual process, namely by handwriting itself. and also the display layout which is updated every month. In this study there are also the same stores that sell foodstuffs and other household products. But this Awa Store is not as busy and complete as this Rindy Store that is wider and more complete than this Awa Store. Therefore I choose a place to research in this Rindy Store. In order to get respondents and data that are more effective and easy to obtain.

This research has focused on purchasing decisions. Based on the description above, a research was conducted with the title: "**The Influence Of Point Of Purchase On Purchase Decision On Food Material Products In Rindy Store**"

## **1.2 Formulation of The Problem**

Based on background that has been, stated, the formulation of the problem in this study is, how is the influence of purchase of display and signage on purchase decision in Rindy Store

## **1.3 Purpose of the Study**

1. Partially Know the effect of display on consumer purchase decisions at Rindy Store
2. Partially know Signage partially affects consumer purchase decisions at Rindy's Store
3. To determine the effect of Point of Purchase which includes Display and Signage secara simultan together on consumer purchasing decisions at Rindy's Store

## **1.4 Significance of the Study**

1. Provide an overview and useful information for marketers, especially rindy stores in determining and implementing marketing strategies, especially Point of Purchase communications that can influence consumer purchasing decisions.
2. Provide a little knowledge, especially marketing management science for readers or people who are interested in developing and applying it.
3. Provide valuable opportunities for writers to apply the knowledge that has been learned and gained during lectures.
4. Provide examples for future researchers as examples for further research

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

Within the scope of emphasis on the location, time or sectors and variables that are limited, so that the author can focus on the core of his research. In this study the scope is limited to price, product diversity and service quality, as factors that influence the Point of Purchase on purchasing decisions.

This descriptive research was conducted to obtain a description that

discusses the Point of Purchase which includes Display, Signage, at Rindy's Store. The location and object to be studied are consumers or visitors who shop at Rindy's shop.

## **1.6 WritingSystem**

In order for the writing of this thesis report to be systematic and neatly structured, a systematic report writing is required. The following is the systematics of writing a thesisreport:

### **CHAPTER I: INTRODUCTION**

This chapter is a background problem, problem formulation, research objectives, research benefits, scope and limitations of problems, and report writing systematics.

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

This chapter contains previous research, theoretical basis, and framework of thought.

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

This chapter describes specifically the location, time and object of research, population and samples, sampling techniques, data collection techniques, scale measurement, data processing techniques, scale measurement, validity and reliability testing, data analysis methods, research hypotheses, the research model, type of research, concept definition and operational variables understudy.

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

This chapter contains the results and discussion. The results of this final project contain data that includes: to determine the effect of point of purchase packaging on food purchasing decisions at Rindy's shop.

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

This chapter is the last chapter, in which conclusions will be presented from the results of the research carried out, then the writing provides suggestions that may be useful.