

CHAPTER I

INTRODUCTION

1.1 Background

Along with the development of business today, there are various kinds of competition in all fields. Seeing this condition, business people are increasingly required to have the right strategy in meeting the sales volume target to quickly and accurately act so as not to lose to compete with other companies.

A person's buying behavior can be said to be something unique, because everyone's preferences and attitudes towards objects are different. In addition, consumers come from several segments, so what they want and need is different. Producers need to understand consumer behavior towards products on the market, then various ways are needed to make consumers interested in the products produced.

Coffee is a unique market. It is said to be unique because it has a bitter taste and is black in color but is in great demand by various groups. In addition, coffee is also used as a way to keep the body from feeling sleepy and maintain stamina. The increasing consumption of coffee every year has created a new trend for Indonesian society itself. Most people consider coffee consumption as not just a complementary drink but see coffee as a daily staple drink, especially for people who are addicted to consuming this drink. Even so, marketing coffee drinks in the adult market is not an easy thing with today's market competition.

One measure of the success of a business is how consumers' perceptions can increase trust in a product so that they have a very large desire to buy the product. If the perception is high, consumers will be interested and evaluate the input information they can about the product and then buy it.

In connection with the existence of consumers and their various behaviors, producers must be really responsive to make observations on what they want. So basically entrepreneurs have an obligation to fulfill and satisfy consumers through the products offered, because people will forget a lot of things they have learned

but tend to remember information that supports their views and beliefs to buy the product.

The determinant factor of consumer behavior in deciding to buy is how consumers perceive a product. The concept of perception has been suggested by many experts that the meaning of perception according to Webster (Nugroho J. Setiadi, 2003: 160) in the journal Abd. Kadir in 2018 is the process by which stimuli are selected, organized, and interpreted.

Consumers in purchasing a product have different attitudes in the perception of purchasing decisions. According to Kotler and Armstrong (2008) in the journal Istiqomah, Zainul Hidayat and Ainun Jariah (2019) consumer purchasing decisions are to buy the most preferred brand from various alternatives, but two factors can be between purchase intention and purchase decision. The first factor is the attitude of other people and the second factor is the situational factor.

The purchase decision is an important thing to pay attention to, because this will certainly be a consideration of how a marketing strategy will be carried out by the company. Purchasing decisions are the actions of consumers to want to buy a product or not.

Companies must be able to market their products or services to consumers in order to survive and compete with other companies. Price is the main perception in purchasing so that companies must be able to adjust the level of product quality and service quality that can influence consumers in purchasing decisions. According to Kotler and Armstrong (2007) product quality is a potential strategic weapon to beat competitors. Product quality is a determining factor for the level of satisfaction that consumers get after purchasing and using a product. So that business managers are required to create a product that is tailored to the needs or tastes of consumers.

For companies, service quality is an important thing. Parasuraman in the journal Pipit Fitri Rahayu dan Dwi Riana (2020) concluded that service quality is an expectation as the desire of customers rather than services that may be provided by the company. Service quality is a level of ability of the company to provide everything that consumers expect in fulfilling their needs. Seeing the increasing need for coffee drinks today because of the lifestyle of the millennial generation

who likes to drink coffee with friends. This increases the business potential in coffee shops. One of the existing coffee shops is the "Kopi Janji Jiwa" coffee shop. Kopi Janji Jiwa is one of the coffee shops in Indonesia. This shop opened for the first time in 2018 at ITC Kuningan, South Jakarta. According to the owner of Kopi Janji Jiwa, Billy Kurniawan in Kusumawhardhani (2019), throughout the middle of 2019, there were already 300 Kopi Janji Jiwa outlets in 50 major cities in Indonesia.

Kopi Janji Jiwa has a tag line, namely "Coffee From the Heart". Kopi Janji Jiwa to take the concept of fresh to cup by serving coffee taken from local Indonesian farmers. The coffee that is commonly used in the manufacture of Kopi Janji Jiwa is the robusta type coffee that comes from Sumatra.

In Bengkalis Regency, precisely in Bengkalis District, Riau Province, is one of the sub-districts that has a Kopi Janji Jiwa outlets which began to be established in 2018, this outlet is located on Jl. Ahmad Yani Bengkalis. Until now, it has succeeded in attracting consumers, especially the millennial generation.

Therefore, Researchers Are Interested In Raising The Title **“The Influence Of Consumer Perceptions About Price, Product Quality And Service Quality Towards Purchasing Decisions (At Janji Jiwa Bengkalis)”**.

1.2 Formulation of the Problem

Based on the background description above, the formulation of the problem in this study are:

1. How much is the influence of the Price variable on the Purchasing Decision variable at Coffee Janji Jiwa Bengkalis?
2. How much is the influence of the Product Quality variable on the Purchasing Decision variable at Coffee Janji Jiwa Bengkalis?
3. How much is the influence of the Service Quality variable on the Purchasing Decision variable at Coffee Janji Jiwa Bengkalis?
4. How much influence is the variable Price, Product Quality and Service Quality on the Purchasing Decision variable at Coffee Janji Jiwa Bengkalis?

1.3 Purpose of the Study

Based on the formulation of the problem, the purpose of this study can be compiled:

1. To find out the magnitude of the influence of the price variable on the purchasing decision variable at Coffee Janji Jiwa Bengkalis.
2. To find out the magnitude of the influence of the Product Quality variable on the purchasing decision variable at Coffee Janji Jiwa Bengkalis.
3. To find out the magnitude of the influence of the Service Quality variable on the purchasing decision variable at Coffee Janji Jiwa Bengkalis.
4. To find out the magnitude of the influence of the price variable, Product Quality and Service Quality on the purchasing decision variable at Coffee Janji Jiwa Bengkalis.

1.4 Significance of the Study

Every research has a goal that usually can not be separated from the benefits to be achieved. The benefits to be achieved in this study are as follows:

1. For Company
This research is expected to provide information to related companies regarding consumer perceptions and purchasing decisions on purchasing Coffee Janji Jiwa Bengkalis and improving product quality.
2. For Community
So that people can feel satisfaction in purchasing the products produced by Coffee Janji Jiwa Bengkalis products in Kecamatan Bengkalis.
3. For Researchers
This study is a graduation requirement and adds to the author's experience in analyzing problems in the field of marketing and consumer views on a product and broadens the author's knowledge of consumer assessment.

1.5 Scope and Limitation of the Problem

The scope of this research is the consumers of the at Coffee Janji Jiwa Bengkalis and based on problem identification, the authors provide a limitation on the scope of

the research undertaken. Researchers only limit the problem on the influence of consumer perceptions about price, product quality, service quality on purchasing decisions of at Coffee Janji Jiwa Bengkalis and in this study, the researcher wanted to know whether there was an influence and how much influence the consumer's perception of price, product quality and service quality on the purchasing decision of the at Coffee Janji Jiwa Bengkalis.

1.6 Writing System

So that the writing of this thesis report can be systematic and neatly arranged it is necessary to write a report systematic. The following is a systematic thesis report writing:

CHAPTER 1 : INTRODUCTION

This chapter covers 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 2 : LITERATURE REVIEW

In this chapter discusses previous research and relevant theories with the subject matter in this research. Especially with regard to the influence of consumer perceptions about price, product quality and service quality on purchasing decisions for coffee drinks products (Cafe Janji Jiwa In Kecamatan Bengkalis).

CHAPTER 3 : METHODOLOGY AND PROCESS OF COMPLETION

This chapter describes specifically the procedures for writing which include the location and time of research, the object of research, the types and sources of data, data collection techniques, data analysis methods, types of research and research costs.

CHAPTER 4 : RESULTS AND DISCUSSION

This chapter contains the results and discussion. The results of this final project contain data that includes: to find out how much influence consumer perceptions of price, product quality and

service quality on purchasing decisions for coffee drinks products (Cafe Janji Jiwa In Kecamatan Bengkalis).

CHAPTER 5 : CONCLUSIONS AND SUGGESTIONS

This last chapter is, which will suggest conclusions from the results of the research conducted, then the author will provide suggestions that may be useful.

