

CHAPTER I

INTRODUCTION

A. Background

The development of knowledge and technology at this time brings changes to the consumer's lifestyle. Lifestyle can be described by the activities, interests and opinions of a person (Kotler,2009). A person's lifestyle is usually not permanent and changes rapidly because it adapts to changes in his life and meeting his needs (Sumarwan,2011). The development of knowledge and technology, every consumer must be able to compensate for developments that have an impact on their needs. Diverse life needs make consumers more meticulous in the process of meeting the needs of life. Meeting the needs of each consumer is different. But what is certain is that consumers need food and clothing whether they are the same when it comes to food. But it returns to its consumers because the lives of each consumer as explained earlier are different from each other. Then their behavior is also different. There are various things that cause different consumer behavior. According to Engel (2003) there are three factors that influence consumer behavior, namely: Environmental influences, consisting of culture, social class, family and situation. Individual differences and influences, consisting of motivation and involvement, knowledge, attitudes, personality, lifestyle, and demographics. The psychological process, consisting of information processing, learning, changing attitudes and behavior. These three factors add to the main interest of consumer research as factors that influence consumer behavior in making purchasing decisions.

Changes in lifestyle and consumer behavior impact on companies that produce goods or services. The company chooses and implements various marketing strategies to balance changes in consumer behavior and aims to win the competition. Gitosudarmo (2012) states that the five strategies that can be carried out by companies include generic strategies, reactive strategies, proactive strategies, defense strategies, and attack strategies. Various types of

strategies can be applied by companies to win the competition. In this case the company must pay more attention to what consumers want and must understand consumer needs. Especially with the times with advanced technology, competition between companies is very tight. Lots of new businesses have sprung up especially food businesses. Therefore Day after day, it is also increasingly evolving to follow the times and the needs of consumers because of the lifestyle and styles of consumers that change along with technological developments. Lifestyle changes during globalization can not be avoided, where one of the lifestyle changes that occur is a tendency to consume fast food. Fast food restaurants are a new business trend that is welcomed by all circles, because fast food restaurants promise a practicality in the midst of today's busy life.

Burger King (BK) is a fast food restaurant that has been spread in various countries in the world. Reporting from Burgerking.com, every day, more than 11 million guests visit Burger King restaurants around the world. Burger King is the second largest fast food hamburger chain in the world. In addition to Burger King, there are also many fast food restaurants that are competing with this product, such as Mc. Donald's, KFC, A&W, Texas Fried Chicken, Wendy's, and others who are competitors from Burger King.

The company must be able to determine the right marketing strategy so that its business can survive and win the competition, so that the goals of the company can be achieved. Basically, the more competitors there are the more choices for customers to be able to choose products that match their expectations. So the consequence of these changes is that the customer becomes more careful and smarter in facing each product that is launched so that the customer can clearly decide to buy the product or not because the customer has many alternatives to make a purchasing decision. A purchasing decision is defined as a decision as the choice of an action of two or more alternative choices. A consumer who wants to make a choice must have an alternative choice (Kalangi, 2010).

In order to gain the competition companies must understand about their customer and market as well. One strategy can be chosen by companies is promotional strategies. Promotional strategy is integrated communication methods which is designed to bring the company and its products to potential customers (Boyd,2000). Promotion is also one of the marketing strategies included in the marketing mix to attract consumers in influencing customer decisions. Promotion or promotional activities are marketing efforts that provide various short-term intensive efforts to encourage the desire to try or buy a product or service. All promotional activities aim to influence purchasing behavior, but the main promotional objective is inform, persuade and remind (Weenas, 2013). In marketing products, companies need something that can attract the attention of consumers to buy their products. Discount is part of a promotional strategy to attract consumers to buy products. Price discount is a price-based sales promotion strategy where customers are offered the same product at a reduced price (Mishra & Mishra, 2011). At this time many discounts are found in every product or service that is traded. The discount given by each company in marketing its products raises the interest of consumers to own and buy the product. Burger King is a fast food restaurant that often offers discounts to consumers with the aim of attracting consumers to buy Burger King products because most of the consumers are more interested in buying Burger King products when the discount is therefore cheaper. Maybe for some people the price set by Burger King is quite expensive and maybe for some people it's standard. In addition to Burger King discounts, it is also common to provide coupons to consumers as a strategy to attract consumers to buy Burger King products.

In addition to promotions using price discounts, so that the products offered by companies are known to the public, companies can use the internet as a strategy to introduce and market their products. Especially social media. Social media is a gathering place for people in cyberspace whether it's just for sharing information, pleasure and business. Youtube became the platform most often used by social media users in Indonesia aged 16 to 64 years

(Hootsuite, 2020). The percentage of users who access Youtube reaches 88%. The next most frequently accessed social media are WhatsApp by 84%, Facebook by 82%, and Instagram 79%. As information, the average time spent by Indonesian people to access social media is 3 hours 26 minutes. The total active users of social media are 160 million or 59% of the total population of Indonesia. 99% of social media users surf via mobile.

Seeing the number of users of social media in Indonesia through smartphones, can be a good business opportunity, Burger King is also one of the companies or past food restaurants that use their product promotion through social media. But with so many fast food restaurants now, consumers are more selective in restaurant choices. This happened to Burger King who was still unable to compete with his eternal competitors, Mc Donald's and KFC. The low buying interest of consumers towards the Burger King fast food restaurant makes the company more active in attracting consumers' attention by providing online sales promotions. Burger King is one of the fast food restaurants that quite often provides online sales promotions through social media.

Promotion strategies through social media are actually quite effective for companies to provide information on the products they offer. Because with the age of technology that is very sophisticated and people now more often use smartphones to access anything. According to Kotler and Keller (2016) Social media is the media used by consumers to share text, image, sound and video information both with others, companies and vice versa. Therefore by using promotions through social media customers will be faster to get information about products offered from a company, can increase sales broadly and does not require expensive marketing costs. Consumers will also find it easier to find information about the products they want to buy because they do not need to be face to face. And from there consumers can judge to make purchasing decisions for products faster because the information conveyed to consumers can be delivered instantly to consumers.

Another aspect that is no less important than discounting is the quality of service. According to Gronroos (2010) service quality is defined as the result of an evaluation process in which consumers compare their expectations of certain services they receive. Good quality service can provide satisfaction to customers because something is given in accordance with the needs and expectations of these customers. In assessing service quality, five dimensions of service quality are used, namely physical evidence or physical evidence, reliability or reliability, responsiveness or responsiveness, assurance or assurance and empathy or empathy.

Based on the description above, the writer is interested in examining the impact of price discount, promotion through social media and service quality in the Repurchasing Decisions of Burger King Consumers in Surakarta.

B. Research Problem

From the background of the problem, the formulation in this study is as follows:

1. Does the price discount impact on customer satisfaction in Burger King Surakarta?
2. Does the promotion through social media impact on customer satisfaction in Burger King Surakarta?
3. Does the service quality impact on customer satisfaction in Burger King Surakarta?
4. Does the customer satisfaction as mediating variable impact on repurchasing decision?

C. Purpose of Research

The objectives to be achieved in this study are as follows:

1. To investigate the effect of price discount toward customer satisfaction.
2. To investigate the effect of promotion through social media toward customer satisfaction

3. To investigate the effect of service quality toward customer satisfaction.
4. To investigate the effect of customer satisfaction as mediating variable toward repurchasing decision.

D. Benefit of Research

The results of this study are expected to be beneficial for:

1. For company

The results of this study can be used as input for companies studied in order to find out the effectiveness of promotions through social media on consumer purchasing decisions. In addition, the results of the study can be used to see the characteristics of consumers based on samples taken, namely Burger King Surakarta customers. This can be used as a reference for implementing effective marketing strategies in the present and the future.

2. For academics

This research maybe able to be a reference and can contribute to the development of studies on marketing, especially about prices, promotion through social media and service quality. Although there is a lot of research, it doesn't rule out the possibility that this research can be of little help to those who need it if anyone wants to use it as a reference in future research on the same theme.

3. For researchers

From this research can increase knowledge and experience by conducting this research. Can better understand the problem under study.

E. Contents of Research

Chapter I Introduction : Background, Research problem, Purpose of research, Benefits of research and Content of research.

Chapter II Literature Review : Theoretical background ;Repurchasing decision, Satisfaction, Price discount, Promotion through social media, service

quality, Previous studies, Hypothesis developments, and Theoretical framework.

Chapter III Research Method: research type, Research variables and operations definition, Population, sample, and sample technique, Sources of data, Data collection technique, and Analytical tool.

Chapter IV Results Research Analysis: Descriptive analysis, Data analysis and Discussion.

Chapter V conclusion : Conclusion, Research Limitations and Suggestions For The Future.