

# CHAPTER 1

## INTRODUCTION

### 1.1 Background of The Study

In this era of globalization, the use of motorized vehicles increases every year in various countries including Indonesia. When compared with sea and air transportation, land transportation has the highest routine among the three (Nisak. & Prakoso, 2014). The number of vehicles and motorcycles in 2018 increased by one million units compared to the previous year. Furthermore, in 2020 it is estimated that the number of car sales will increase by 5%. However, in 2020 the corona virus pandemic occurred which caused the automotive industry sector to experience a decline. One of aspect that affects the decline is enforcement *Pembatasan Sosial Berskala Besar* (PSBB) in number of Indonesia region (Nasruddin & Haq, 2020).

There are many different factors that influence an individual's purchasing decision, one of the factors that influence is service quality. This is shown from the research conducted by (Hapsoro & Hafidh, 2018) which show brand trust have significance effect on purchasing decision. Moreover, research conduct by (Firdausy, 2017) shown service quality have significance effect on purchasing decision. This indicate that service quality have reciprocal relationship to purchasing decision, and brand trust. Therefore, various company in automotive industry could improve service quality along with brand trust to attract more customer's purchase decision.

Service quality is the ability of service firm to hang on to its customer (Ramya, Kowsalya, 2019). From their opinion, customer retention is one of the best measures of service quality. A good service quality to customer is one of the ways to keep customer loyalty in business that effect on brand trust and purchase decision in the future product. From that point of view, we can consider service quality as one key to achieve successful business in automotive industry because purchase decision come from brand trust which service quality provide.

**Table 1.1**  
**Top 4 City car in Indonesia**

No	Brand	Percentage(%)
1.	Honda Jazz	22.5%
2.	Toyota Agya	12.7%
3.	Toyota Yariz	10.6%
4.	Daihatsu Ayla	9.2%

Source: (Amron, 2018)

Based on Table 1.1 we can see there are 3 Product of Toyota is the best brand in selling car on Indonesia automotive industry. Toyota have big community and customer in brand which make it fulfill for object to research. Therefore, title of the research is “The Effect of Service Quality on Purchasing Decisions with Brand Trust as a Mediation Variable in Toyota Surabaya”.

### **1.2 Research Question**

Based on introduction before, statement of problem was taken, which is:

1. Is service quality have significant effect on purchasing decision?
2. Is service quality have significant effect on brand trust?
3. Is brand trust have significant effect on purchasing decision?
4. Is service quality have significant effect on purchasing decision through brand trust?

### **1.3 Objective of The Study**

Based on the statement of the problem before, the significance of the study as follow:

1. To analyze service quality effect on purchasing decision
2. To analyze service quality effect on brand trust
3. To analyze brand trust effect on purchasing decision
4. To analyze service quality effect on purchasing decision through brand trust.

## **1.4 Significance of The Study**

Purpose of the study looked at 2 perspectives, which is empirical purpose and practical purpose. Each of the benefits you want to get are as follows:

### **1.4.1 Academic Significances**

To prove the influence of service quality on purchasing decision through brand trust.

### **1.4.2 Practical Significances**

1. To give insight for undergraduate about brand trust, purchasing decision, and service quality effect for business.
2. To input for Toyota Indonesia to improve service quality for brand trust, and purchasing decision.

## **1.5 Scope of The Study**

The systematic writing of this research is organized into 5 chapters, with more detailed explanation in the sections of the sub-chapters. The five chapters are as follows:

### **CHAPTER 1: INTRODUCTION**

In introduction, researchers compile chapter one into 5 (five) sub chapters which is introduction, statement of the problem, the significance of study, purpose of the study, and thesis writing systematic. This chapter focusing in a deeper introduction to why researchers take this topic as research.

### **CHAPTER 2: LITERATURE REVIEW**

The second chapter is a literature review, this chapter is organized into 4 (four) sub-chapters, namely the theoretical basis in first sub-chapter, previous research in second sub-chapter, hypothesis development in third sub-chapter, and the conceptual framework in fourth sub-chapter.

### **CHAPTER 3: RESEARCH METHOD**

Chapter three is a research method. This chapter is organized into 6 (six) sub-chapters, namely research design in first sub-chapter; identification, operational definition, and measurement of variables in second sub chapter; types and sources of data in third sub-chapter; data collection methods in fourth sub-chapter; population, samples, and sampling techniques in section

fifth; and data analysis in section sixth.

#### CHAPTER 4: ANALYSIS AND DISCUSSION

Chapter four is an analysis and discussion, containing the results of the processed data that has been collected and discussion and analysis of the results of the processed data. Chapter four is divided into 4 (four) sub-chapters, namely an overview of the research object in first sub-chapter, a description of the data in second sub-chapter, the results of data analysis in third sub-chapter, and discussion in fourth sub-chapter.

#### CHAPTER 5: CONCLUSION, LIMITATION, AND SUGGESTION

Chapter is a conclusion, limitations, and suggestions, this chapter shows the results of the research so that it can answer the formulation of the problems that have been determined in this study. Limitations are intended to inform the limitations experienced by researchers in this study due to factors beyond the control of the researcher. The advice section will be divided into 2 namely, academic advice and practical advice