

# CHAPTER I

## INTRODUCTION

### 1.1 Overview of the Research Object



Source: google.com

Figure 1.1 Redball Billiard's Logo

As the COVID-19 pandemic threaten the world every day, there are several ways that can be done to maintain body health to help prevent the disease from infecting our body. Implementing a healthy eating pattern, keep the body hydrated, enough sleep, and the most important is doing sport regularly (halodoc, 2021). To be able to practice or exercise, a sport hall is a necessity to facilitate what is needed. Redball Billiard provide what pool players demanded. A place to practice, perform, compete, as well as providing pool tables, cues, and other equipment to support the game.

Redball Billiard was founded by 3 people, one of the best billiard athletes of Indonesia, Jimmy Jusman and company. They decided to name their company "Redball" because it was built by 3 people while in billiard, the 3 ball always comes

with a red color. They established their first branch in Bintaro, Jakarta in the year of 2010.

Redball, seeing the business flow success of the first branch, decided to make another 3 branches. Taman Palem, Harapan Indah, and the last took place at Cikarang. The Cikarang branch was established in 2016, consists of 15 pool tables, known for the nuance and atmosphere that helps on improving player's game.

There are several billiard game branches such as pool, snooker, and carom. In pool, the number of balls can change depending on the variant of the game, however a full set of balls consists of sixteen balls, each 2 1/4 inches in diameter: eight balls of solid color numbered one to eight, seven balls with a stripe of color numbered nine to fifteen, and a solid white 'cue' ball. In snooker uses twenty-two balls, including a white ball known as the 'striker' ball. The other balls used are fifteen red balls, and one each of yellow, brown, blue, pink, black and green. Each ball is 2 1/16 inches in diameter. While in carom, on the other hands, uses only three balls: one each of white, yellow, and red, with both the white and the yellow able to act as the striker ball. In Indonesia, pool is the most popular one. Most halls provide 9-inch billiard table which is used for pool game.

## **1.2 Research Background**

In this day and age, sport is a necessity for everyone. This is due to the trend of a healthy lifestyle that is starting to develop in Indonesia (detikhealth, 2020). Sport is an activity involving physical exertion and skill in which an individual or team competes against another or others for entertainment. Some of the sports

avored by the Indonesian people include futsal, basketball, soccer, badminton, golf and billiards. Billiard is one of the most popular sports.

Billiard sports, also known as cue sports, are a wide variety of games of skill generally played with a cue stick, which is used to strike billiard balls and thereby cause them to move around a cloth-covered billiard table bounded by elastic bumpers known as cushions (Wikipedia, 2021).

Building a pool hall is one of the business opportunities that entrepreneurs are starting to look at seeing how many people are interested in the sports. Based on the business opportunity, businessmen are competing to build a pool hall business, and Redball is one of the companies that provide pool halls in Indonesia.

Bekasi is one of the cities with society that have high interests in billiard sport. There are a few pool halls located Bekasi. Table 1 explains list of Bekasi pool halls:

Table 1.1 List of Bekasi Pool Halls

Pool Hall	Location	Facility	Price per hour
Xavier	Medan Satria, Bekasi City	8 pool tables, 1 snooker table	- Pool: Rp50.000 - Snooker: Rp80.000
Circuit	Plaza Taman Harapan Baru, Harapan Indah, Bekasi City	12 pool tables	Rp55.000
Java Golden	Ir. H. Djuanda Street No. 32, Bekasi Junction, Margahayu, East Bekasi	22 pool tables	Rp38.000
Skies	LG Level Revo Town, Ahmad Yani Street, Pekayon Jaya, South Bekasi	15 pool tables	Rp60.000

Source: Primary Data (2022)

Redball is one of the most successful pool hall business in Indonesia owned by Jimmy Jusman. The first branch took place at Bintaro, Jakarta. Based on the first branch's business flow, Redball decided to build another three branches which

located in Taman Palem, Harapan Indah, and Cikarang. So, they have in total of 2 branches in Jakarta, and 2 branches in Bekasi.

Redball Cikarang is located in H. Usmar Ismail Street, Mekarmukti, Kec. Cikarang Utara, Bekasi. Since Redball established their last branch in Cikarang, they became the only place in the city to provide facilities and equipments to support billiard sport. Customers are offered 15 tables and lots of pool cues to pick. Reasonable price and strategic place are what makes Redball Cikarang a sustainable company until now.

Redball is a company that provide services by renting pool tables and cues. On service businesses, customer satisfaction is one of the most important factors that determine whether the customers are satisfied. To reach customer satisfaction, affordable price and strategic place will be considered. The table below is the estimated calculation of the company's visitors from 2017-2021, generated from tables used, average players per table per day, and how much time they spend on Redball Cikarang. Table 2 explains numbers of visitors estimation from 2017 until 2021.

Table 1.2 Redball Cikarang's Number of Visitors Estimation (2016-2020)

Year	Numbers of Visitors
2017	± 53.200
2018	± 61.300
2019	± 52.600
2020	± 21.200
2021	± 29.820

Source: The Company's Manager (2022)

The table above is the number of visitors of Redball Cikarang in 5 years. Visitors keeps increasing from 2017 to 2018 for almost 10.000 a year. Meanwhile,

in 2019 until 2021 the company's visitors decreased caused by various factors that the company have not yet maximized.

According to (Kotler, 2020), If a company experienced 4 years of decrease on numbers of visitors, it means that the value of customers satisfaction is getting lower.

In 2020 Redball has suffered a very significant visitors decreased. One of factor is global pandemic (COVID-19). In that year government gave the policy that people have to stay at home (lockdown) to reduce virus transmission. By that phenomena, Redball has closed their branch for almost 4 months. A year after, Redball is still struggling with low numbers of visitors.

Price is one of the strategies that are used by entrepreneurs to compete with competitors on reaching customers. Price is the amount of money given up in exchange for goods and services. The purpose of pricing in general is to maximize profits, increase market share, product or service quality, and because of competitors (Kasmir, Jakfar, 2017). Price considerations are one of the important things in maintaining customer loyalty.

Table 2 Percentage of Price Questionnaire Result (%)

Variable	Item	Scale				
		TD	D	N	A	TA
Price	P1	-	3%	9%	64.2%	23.9%
	P2	3%	3%	29.9%	32.8%	31.3%
	P3	-	1.5%	25.4%	52.2%	20.9%
	P4	-	-	23.9%	43.3%	32.8%
	P5	-	1.5%	16.4%	44.8%	37.3%
	P6	-	-	13.4%	65.7%	20.9%
	P7	-	-	11.9%	53.7%	34.3%
Average Score		0.42%	1,29%	18,56%	50.96%	28.77%

Source: Primary Data (2022)

The table above explains that 50.96% agreed that Redball Cikarang sets a reasonable price. The percentage shows that customers are satisfied with the price that Redball Cikarang offers and it is one of the company's strategy to attract customers.

Redball Cikarang set a very reasonable price of Rp45.000/hour on weekdays and Rp55.000/hour on weekend. Redball allows customers to play a free table when they come to practice alone as long as the tables are not used. Also, every day customers get free tables from 12 am to 3 pm if they spend Rp75.000 for food and beverages.

Place is a strategy that company undertakes to make the product accessible and available to target customers (Kotler, 2020). It is one of the strategic indicators to get customer satisfaction. A strategic location can provide a plus for the company. Easy-to-reach locations can make consumers easier to get to the location. The strategic location is also able to increase sales of rental services.

Table 3 Percentage of Place Questionnaire Result

Variable	Item	Scale				
		TD	D	N	A	TA
Place	PL1	1.5%	34.3%	17.9%	32.8%	13.4%
	PL2	10.4%	32.8%	13.4%	31.3%	11.9%
	PL3	22.4%	25.4%	11.9%	23.9%	16.4%
	PL4	7.5%	28.4%	19.4%	34.3%	10.4%
	PL5	16.4%	20.9%	7.5%	13.4%	41.8%
	PL6	14.9%	34.3%	20.9%	19.4%	10.4%
Average Score		12.18%	29.45%	15.17%	25.85%	17.38%

Source: Primary Data (2022)

The table above explains that only 25.85% agreed that Redball Cikarang located in strategic area. If compared to the price questionnaires which is 50.96%, the place shows weaker percentage of numbers. The company needs to find another alternative strategy to increase customers satisfaction.

Redball Cikarang is located at Cikarang's district area. although it's located around shopping centers, hotels, and apartments, public transportation is not easy to find. The factors of price and place affect whether the customers are satisfied or not. If the customers are satisfied with the price and place that the Redball offers, the company gain advantages to compete with competitors.

Redball is well known by citizens of Jakarta, Bogor, Depok, Tangerang, Bekasi (Jabodetabek). The other big billiard names, such as 911 have 4 branches, Q-Billiards have 2 branches, the only billiard that has more branches than Redball is Afterhour, which they have 6 branches in Jabodetabek. But they are not only focused on billiard, they have bars that sells alcohol which not all of their customers come to play billiard. Pool players, enthusiasts, and athletes mostly come to Redball to practice and play. Based on the factor above, Redball Cikarang deserve to be the object of research.

Based on a journal by Salamat, Farahani, Salamat (2012) *Customer Satisfaction in Private and Public Fitness Clubs in North of Iran*, "The most secure way to survive and succeed is offering good quality services in order for customers to be reminded of the service (Seifali and Goudarzi 2009). Wan (2010) concluded that customer satisfaction and service quality are factors that directly relate to high customer loyalty. So, the aim of this study was to evaluate customer satisfaction of sport clubs in north of Iran." In accordance to the journal, customers satisfaction is impactful towards customer loyalty.

Table 4 Percentages of Customers Satisfaction Result

Variable	Item	Scale				
		TD	D	N	A	TA
Customers Satisfaction	CS1	4.5%	10.4%	19.4%	37.3%	28.4%
	CS2	3%	11.9%	28.4%	37.3%	19.4%
	CS3	9%	16.4%	25.4%	20.9%	28.4%
Average Score		5.5%	12.9%	24.4%	31,83%	25.4%

Source: Primary Data (2022)

The table above explains that 31.83% agreed, which shows that a few customers still have not satisfied by the price and place. Redball Cikarang needs to find out the solution of the problem shown by the questionnaire result to reach customers satisfaction.

Redball Cikarang is one of the finest billiard halls in Indonesia. They hold big tournaments such as Redball Series that covers all billiard athletes around the country at all levels (handicap) with a total prize of Rp270.000.000. Besides that, Redball Cikarang holds weekly tournament every week that almost sold out with full participants of 64 slot. While other competitors, such as Xavier, Circuit, Java Golden, Skies and others they don't hold a regular tournament event routinely. Most of the weekly tournament participant regularly visit Redball Cikarang on a daily bassist. However, they encountered visitors decrease. Based on that factors, Redball Cikarang needs to do further research.

Regarding to Indonesian billiard scene that is growing, tournaments with bigger prize are held in big cities, numbers of billiard athletes from various cities is increasing, a local TV show that focused on billiard, there are chances that competitors might show up. Redball Cikarang must aware of changes that might happen in the billiard scene. The company have to focus on upgrading their services to increase customer's satisfaction.



The research on customers satisfaction is important. So, the company could survive for a long time. According to Wi-adha and Kinanti (2020), Customers satisfaction stimulates customers desire to reuse/revisit. According to Ansari, Jafar Pour (2017), price has the strongest influence on customers satisfaction. According to Alfian & Nursanti (2020), price variable does not have a positive and significant effect on customers satisfaction. Both of the researches have an opposite result towards the price variable. From the similar researches, Wi-adha and Kinanti (2020), a good place greatly increases customers satisfaction. However, Alfian & Nursanti (2020) have an opposite result. From the researches above, it shows that there are theoretical conflict as the research gap which lead this research to study the relationship between price and place towards customers satisfaction in Redball Cikarang.

Based on the background above, author interested in doing research under the of **"THE IMPACT OF PRICE AND PLACE TOWARDS CUSTOMER SATISFACTION IN REDBALL CIKARANG"**.

### **1.3 Research Problems**

Price and place are two of the factors that determine whether the customers are satisfied. Because with affordable price and strategic place, customers are easier to reach their satisfaction. Based on the explanation above, the formulations of the problems raised in this study are:

1. Will the price affect customers satisfaction of Redball Cikarang?
2. Will the place affect customers satisfaction in Redball Cikarang?
3. Will the price and the place affect customers satisfaction in Redball Cikarang?
4. How are the customers responses towards the price, place, and awareness of customers satisfaction?

### **1.4 Research Purposes**

The research purpose of this thesis is to find out and analyze that:

1. The price affect customers satisfaction in Redball Cikarang.
2. The place affect customers satisfaction in Redball Cikarang.
3. The price and the place affect customers satisfaction in Redball Cikarang.
4. Customers responses towards price, place, and awareness of customers satisfaction.

### **1.5 Research Benefits**

Aims of research describes the benefits or contributions that will be obtained from the results of the research and who will get these benefits. The aims of research specifically about the benefits to be achieved, namely:

a) Theoretical Aspect

This research is expected to result whether the price and place has an impact to customers satisfaction and can be used as literature in further research that becomes a reference related to business management.

b) Practical Aspect

This research is expected to be an input for companies to improve factors of price and place to continue increase company profitability.

## **1.6 Writing Systematics**

The systematics of writing the Final Project follows the applicable rules and is divided into 5 chapters, as follows:

### **CHAPTER I INTRODUCTION**

In this chapter the author will briefly discuss the object of research, research background, problem formulation, research questions, research objectives, research benefits and writing systematics.

### **CHAPTER II LITERATURE REVIEW**

In this chapter, the author will describe the theories related to the issues discussed and the framework.

### **CHAPTER III RESEARCH METHOD**

In this chapter, the author will describe the characteristics of the study, data collection, operational variables, research stages, population and samples, validity and reliability tests, and data analysis techniques.

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

In this chapter the writer will discuss the characteristics of the research, the analysis of the respondents on the variables, the results of the research and the discussion of the results.

#### CHAPTER V CONCLUSION AND SUGGESTION

This chapter contains the conclusions of the analysis results and suggestions from the author.