

CHAPTER I INTRODUCTION

1.1 General Overview of Research Object

The Adidas brand has a long history and deep-rooted connection with sport. It's a broad and diverse portfolio in both the Sports Performance and Sport Inspired categories ranging from major global sports to regional grassroots events and local sneaker culture. This has enabled Adidas to transcend cultures and become one of the most recognized, credible, and iconic brands both on and off the field of play. (Adidas, 2021).



Figure 1. 1 Adidas Logo

Source: Adidas.co.id (2021)

Everything they do is rooted in sport. Sports plays an increasingly important role in more and more people's lives, on and off the field of play. It is central to every culture and society and is core to our health and happiness. The purpose through sport, they have the power to change lives, guides the way we run their company, how they work with their partners, how they create their products, and how they engage with their consumers. They will always strive to expand the limits of human possibilities, to include and unite people in sports, and to create a more sustainable world. (Adidas, 2021).

Athletes do not settle for average. And neither do they. They have a clear mission: To be the best sports brand in the world. Every day, they come to work

to create and sell the best sports products in the world, and to offer the best service and consumer experience – and to do it all in a sustainable way. They are the best when we are the credible, inclusive, and sustainable leader in our industry. (Adidas, 2021).

1.2 Research Background

Unstable economic development as it is today, makes companies must continue to survive in order to compete. The increasing number of competitors requires every company to continue to pay attention to the needs and wants of consumers. To win the competition, companies must be able to create new innovations, value, and satisfaction for consumers after using the company's products or services. In modern times as now, one of the industries that is experiencing rapid growth is the industry in the field of sports equipment, which is caused by the growth of public awareness of the importance of healthy living. This fact becomes an opportunity for manufacturers of clothing, shoes, and sports equipment, to compete in attracting consumer interest in their products. (Subagja, 2020).

The sports equipment industry is a growing industry rapidly in Indonesia. Specially Jakarta and Bandung. Currently, the sports product industry is very competitive in determining the price, shape, colour, and quality of the product. Clothing brands, shoes, and sports equipment circulating in the Indonesian sports industry market. According to Indonesian Footwear Association (Aprisindo), more than 880% of exported footwear are in the sport shoes category. Sales for sport shoes in the export market are still supporting the footwear industry's revenue, because large-scale footwear manufacturers in Indonesia are still dominated by foreign sport shoes manufacturers. Running, cycling, and other sports are popular in Bandung and Jakarta. As a result of the public's participation in these sports, there is a higher need for athletic shoes. There are many of options available to clients when it comes to purchasing sports shoes. Also, a good number of locally produced goods sell the highest quality goods. The brand is in great demand by the people of Indonesia. Every brand sets a fairly competitive price according to the type and market segment. (Subagja, 2020). According to

Kotler and Keller (2016, p. 166) Consumer Behaviour is a Study of How individuals, groups, and organizations choose, buy, use and goods, services, ideas, or experiences to satisfy needs and wants.

According to Kotler and Armstrong (2017, p. 157) the Purchase Decision is that the buying decision behaviour refers to the final purchase behaviour of consumers, both individuals, and households who buy goods and services for personal consumption. One of the factors that can influence the purchase decision is brand image. According to Kotler and Keller (2016, pp. 263-264) which states that consumers embrace their perceptions and beliefs according to experience which they have felt and encapsulated in their memories. The goodness of brand image will influence consumers in making purchases. Usually, consumers have a better perception of the brand image of products, of course, will be proportional to the price offered by the manufacturer. Because it is already imprinted in the consumer's memory, the better the brand image of a product, the higher the price offered. It also becomes one of the factors that influence consumer purchases.

The other factor that influences the purchase decision is price. According to Kotler and Armstrong (2017, p. 151) price is the amount of money charged for goods or services or the amount of the money exchanged consumers for the benefits of owning or using the product or services. To set the price of a product, the company must be able to adjust the price with the quality of the product to be offered, because when the price offered is in accordance with the quality of the product, the more it will be high consumer interest in making purchases.

In the results of a survey conducted by Top Brand Award in the category sports shoes, Adidas always ranks first in the Top Brand Index in the last three years, 2018, 2019, and 2020 with a percentage of 37.6%, 37.0%, and 38.6% which can be seen in the following Table 1.1:

Table 1. 1 Top Brand Index for Sport Shoes Category 2018-2020

TBI	Year					
	2018		2019		2020	
1	Adidas	37.6%	Adidas	37.0%	Adidas	38.6%
2	Nike	25.6%	Nike	21.1%	Nike	18.1%
3	Rebook	6.2%	Ardiles	8.3%	Ardiles	11.1%
4	Ardiles	5.2%	Rebook	6.3%	Rebook	5.3%

Source: www.topbrand-award.com (2021)

Based on Table 1.1 it is known that Adidas sport shoes stays at its peak and every year and the product experiences increase in sales at 2020. Even though the price offered is more expensive from other products. Here's a list of product price comparisons Adidas sport shoes with other products.

Table 1. 2 Sport Shoes Price Comparison in September 2021

Brand	Lowest Price	Highest Price
Adidas	Rp. 600.000, -	Rp. 3.000.000, -
Nike	Rp. 500.000, -	Rp. 3.969.000, -
Ardiles	Rp. 200.000, -	Rp. 551.000, -
Rebook	Rp. 599.000, -	Rp. 2.799.000, -
Diadora	Rp. 299.000, -	Rp. 999.000, -

Source: Lazada Official Shop (2021)

From Table 1.2 above it can be explained that in the lowest price table, Adidas Sport Shoes not the cheapest price and on the highest price table, Adidas Sport Shoes price is the second most expensive after Nike.

In order for a company to compete in the industry, it must can give a good impression on consumers so that consumers become loyal. To be able to give a positive impression to consumers, companies should strive to make a product that has advantages and provide uniqueness with the characteristics of the product so that it is easy to remember. Sports equipment company that already has a good brand in Indonesia, one of which is Adidas. Adidas is a supporting company sports products that has been established for more than sixty years, which has high credibility in the eyes of its consumers for every product made. (Subagja, 2020).

The purchase decision is one of the main components of behaviour consumers. Consumer buying decisions are step-by-step used consumers when buying goods and services (Lamb, 2008). Buying decision is a problem-solving approach to human activities to buy an item or service to fulfil their wants and needs consists of recognizing needs and wants, seeking information, evaluating on purchasing alternatives, purchase decisions and after purchase (Swastha, 2017).

Although the price is fairly more expensive than other Sport Shoes brand. Based on this phenomenon, it is important to learn about how its brand image and product price influence its customers in making decisions before purchasing

Adidas Macara products. Based on the explanation above, the author wants to do research with the title "**THE INFLUENCE OF BRAND IMAGE AND PRODUCT PRICE TOWARDS SPORT SHOES PURCHASE DECISION (A STUDY ON ADIDAS CUSTOMER)**".

1.3 Problem Statement

The current state of unstable economic development means that businesses must endure to remain competitive. Every business must keep an eye on the requirements and desires of its customers due to the growing number of competitors. Companies need to be able to innovate, provide value, and satisfy customers with their products or services in order to win the competition. Due to rising public awareness of the value of leading a healthy lifestyle, one sector of the economy that is expanding quickly in the current day is the sports equipment sector. Because of this, producers of apparel, footwear, and sporting goods have a chance to compete with one another to draw customers to their goods (Subagja, 2020).

The sports equipment industry is a growing industry rapidly in Indonesia. Currently, the sports product industry is very competitive in determining the price, shape, colour, and quality of the product. Clothing brands, shoes, and sports equipment circulating in the Indonesian sports industry market. The brand is in great demand by the people of Indonesia. Every brand sets a fairly competitive price according to the type and market segment. (Subagja, 2020).

The final purchase intents of customers, both individuals and families, who purchase products and services for personal consumption are referred to as consumer buying behaviour; Kotler, Armstrong (2017, p. 157).

Brand image and product price are two factors that can impact a buying decision. Consumers who embrace views and beliefs based on experiences that they have felt and internalized in their memory, according to Kotler and Keller (2016, pp. 263-264). Price, according to Kotler and Armstrong (2017, p. 151), is the amount of money charged for goods or services, or the amount of money people trade for the benefits of having or utilizing the product or services.

Adidas, Nike, Diadora, and Reebok are just a few of the brands that sell beauty products today. Because Adidas is a sporting goods company, one of the beauty brands that will be investigated is theirs. Adidas has long been one of the most popular brands for sporting goods. In Indonesia, Adidas is one of the most popular sports shoe brands. Sport Shoes items have remained at the top of the Top Brand Index in the Sport Shoes product category for the last three years, from 2018 to 2020. (Top Brand, 2021). The price, however, is more than that of comparable Sport Shoes brands (Lazada Official Shop, 2021)

The value of a company's brand image is clear, as the brand's image can influence a customer's buying choice. In order to meet the firm's needs, the company must have a positive brand image among consumers. Price is one of the marketing mix aspects that can help to improve the buying decision and raise consumer demand. This study is being conducted to see if the price of the product has any bearing on the buying decision. The research questions for this study's framing of problems are:

1. Does Adidas Sport Shoes Brand Image positively influence the Purchase Decision?
2. Does Adidas Sport Shoes Product Price positively influence the Purchase Decision?
3. Does Adidas Sport Shoes Brand Image and Product Price positively influence the Purchase Decision?

1.4 Research Objectives

The purposes of this study are:

1. To learn the influence of brand image on purchase decisions on Adidas Sport Shoes in Indonesia;
2. To learn the influence of product price on purchase decisions on Adidas Sport Shoes in Indonesia;
3. To determine how much the influence of brand image and product price on purchase decisions on Adidas Sport Shoes in Indonesia.

1.5 Research Aims

1.5.1 Academic Uses

Improving authors insight and knowledge about the influence of brand image and product price towards Sport Shoes purchase decision (A Study on Adidas customer in Indonesia).

1.5.2 Practical Uses

Providing information about the influence of brand image and product price towards sports shoe purchase decisions (A Study on Adidas customer in Indonesia).

1.5.3 General Uses

The results of this study are expected to be a reference for further research similar research.

1.6 Systematic Writing

A. CHAPTER I INTRODUCTION

This chapter is a general, brief, and thorough description of the study's topic. General Overview of Research Objects, Research Background, Problem Formulation, Research Objectives, Research Aims, and Writing Systematics are all covered in this chapter.

B. CHAPTER II LITERATURE REVIEW

This chapter includes hypotheses ranging from general to specific, as well as past research and a research framework that concludes with a hypothesis.

C. CHAPTER III RESEARCH METHODOLOGY

This chapter verifies the approach, methods, and strategies used to gather and analyse data that can be used to solve research challenges. Types of Research, Variable Operationalization, Population and Samples (for quantitative) / Social Situations (for qualitative), Data Collection, Validity and Reliability Tests, and Data Analysis Techniques are all covered in this chapter.

D. CHAPTER IV RESEARCH ANALYSIS AND RESULT

The research and discussion findings are organized and presented in distinct subtitles in accordance with the formulation of problems and research objectives. This chapter is divided into two sections: the first gives the research findings, and the second presents a commentary or interpretation of the findings. Each section of the discussion begins with the results of the data analysis, is then interpreted, and finally, conclusions are drawn. In the discussion, existing research and theoretical foundations were compared.

E. CHAPTER V CONCLUSION AND SUGGESTION

The response to the research question becomes a suggestion about the benefits of research in the conclusion.