

## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

According to the World Health Organization (2023), diabetes is a medical condition characterized by frequent thirst, excessive urination, blurred vision, and recurrent fatigue, and impacts blood circulation to vital organs such as the heart, eyes, kidneys, and nerves. The World Health Organization (WHO) reports a global prevalence of diabetes affecting approximately 422 million individuals, with an annual mortality rate of 1.5 people caused by diabetes. Based on data from the International Diabetes Federation (2021), Indonesia ranks sixth in the world, with 19.47 million people aged 20-79 years with diabetes in the year 2021. Diabetes in Indonesia has shown an increasing trend each year, and projections from the International Diabetes Federation (2021) indicate that the number of diabetes cases in Indonesia could reach 28.57 million by the year 2045, indicating a substantial 47% increase.



Recognizing the negative impact of diabetes, it is necessary to emphasize to the public the importance of diabetes prevention initiatives. Disseminating information on diabetes prevention is a strategic approach to inform the public about the important role of developing a healthy lifestyle to control sugar levels in the body. According to Armstrong & Kotler (2023), lifestyle is a person's habits that are reflected in activities, interests, and opinions. A healthy lifestyle has become a phenomenon that few people

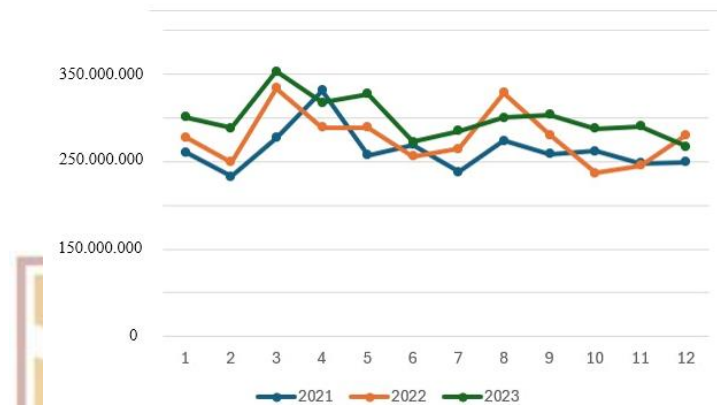
are interested in amidst the era of junk food, high-sugar foods, and other unhealthy foods. One of the efforts to avoid diabetes is by consuming sugar-free and low-calorie sweeteners (Rahayu et al., 2020).

Only some industries produce food and beverage products low in sugar and calories. One of the well-known brands in Indonesia that is consistent with its low-sugar and calorie products is Tropicana Slim. Tropicana Slim is a product from PT Nutrifood Indonesia that contributes to efforts to prevent diabetes and is widely known as a low-calorie and low-sugar product. Tropicana Slim has various products to meet the daily needs of people living with diabetes or people who are aware of the importance of a healthy lifestyle (tropicanaslim.com, 2024).

Tropicana Slim is a well-known brand that has received the title of the top brand in the food and beverage category with the sub-categories of low-calorie sweeteners and corn oil. This means that Tropicana Slim has a high level of brand equity in the eyes of consumers. Tropicana Slim is the most superior brand among its competitors. Reporting from Top Brand Award, TBI (Top Brand Index) Tropicana Slim continues to increase from year to year, from 63.90% in 2020 to 66.50% in 2023. This reflects that Tropicana Slim is a popular product. (Top Brand Award, 2023).

Tropicana Slim has become a significant preference for many consumers in meeting their daily needs, prioritizing low sugar and calorie levels. Tropicana Slim products can be easily found in retail stores in Indonesia, one of which can be easily found in Padang City. In Padang City, Tropicana Slim products are widely available in

retail stores. The following is the total sales data for Tropicana Slim in Padang City for the last three years:



**Figure 1 Total Sales Tropicana Slim Padang City**

*Source: PT. Nutrifood Indonesia (2024)*

The data in the image below was obtained from the marketing area manager of PT Nutrifood Indonesia. Based on the data sales of Tropicana Slim products in Padang City retail stores tend to increase yearly. This means that the number of consumers who purchase Tropicana Slim products has increased in the last three years. In Padang City, the most significant sales of Tropicana Slim are held by Budiman Group, The following is the total sales of Tropicana Slim in Budiman Group in Padang city.

**Table 1 Total Sales Tropicana Slim Budiman Swalayan**

No	Year	Total
1.	2021	Rp.375,190,975
2.	2022	Rp.555,407,425
3.	2023	Rp.627,530,375
4.	<b>TOTAL</b>	Rp. 1,558,128,775

*Source: PT Nutrifood Indonesia (2024)*

Budiman Swalayan in Padang City has nine branch stores spread across various corners of Padang City. So, it is unsurprising that Budiman supermarket is the retail store in Padang city with the most significant sales. Based on data obtained from the Marketing Manager of PT Nutrifood in Padang City, in 2021, Budiman will hold 15% of sales; in 2022, it will hold 22% of sales; and in 2023, it hold 25% of Tropicana Slim product sales in Padang city (Akhiarni, 2024). This means that Budiman Swalayan is the most prominent place for consumers to make purchasing decisions for Tropicana Slim products.

The purchase decision stage is a critical phase in which consumers make evaluations and form preferences among the various brands available. It may also reflect the intention to purchase the most preferred brand (Armstrong & Kotler, 2023). One of the factors that influence purchasing decisions is product assortment. This is supported by research conducted by (Simamora & Realize, 2020), in this research found that product assortment significantly influences consumer purchasing decisions.

According to Kotler et al. (2019), Product assortment is the collection of all products and goods that a particular seller offers for sale. The availability of the Tropicana Slim product range provides consumers with a complete choice to meet their daily needs, contributing to various choices in the purchasing decision-making process. The size and composition of a company's product assortment can significantly influence consumer behavior. The more extensive assortments can lead to confused decisions and decreased satisfaction with the chosen product. On the other hand, a proper assortment that matches the needs and preferences of the target market can increase customer satisfaction and loyalty (Kotler et al., 2019). Here is the width of the product assortment and the length of the Tropicana Slim product line:

**Table 2 Product Assortment Width and Product Line Length for Tropicana Slim Products**

<b>Product Assortment Tropicana Slim Products</b>					
<b>Product Assortment Width</b>					
<b>Product Line Length</b>	Sweetener low calories	Snack	Coffee	Dairy Product	Food Condiments
	Sweetener Classic	Nutty Chocolate Cookies	Café Latte	Skim Milk Original	Corn Oil
	Sweetener DIABTX	Hokaido Cheese Cookies	White Coffee	Skim Milk Chocolate	Canola Oil
	Sweetener Stevia	Korean Garlic Butter Cookies	Avocado Coffee	Skim Milk Coffee	Sunflower Oil
	Sweetener Lemon-C	Korean Goguma cookies	Frech Butter Souffle Coffee	Skim Milk Fiber Pro Original	Extra Virgin Olive Oil
	Sweetener Rose Vanilla	Klepon Cookies	Mint Cocoa	Low Fat Milk Vanilla	Coconut Less Fat
	Sweetener Jahe		Salted Caramel Cocoa	Low-Fat Milk Korean Strawberry	Salt soy sauce

<b>Product Line Length</b>	Sweetener Honey	Soy latte	Collagen Drink	Mayonnaise Roasted Sesame
	Sweetener Gula Aren	Sweet Orange	Oat Drink	Oyster sauce
	Sweetener Luo Han Guo	7 Fruits Fiber Daily	Almond Drink	Sambal Terasi
	Sweetener fruits sugar		Oat Drink Japanese Cantaloupe Melon	Tropicana Slim red rice
	<b>Product Assortment Tropicana Slim Products</b>			
	<b>Product Assortment Width</b>			
	Sweetener Classic Refill		Goldenmil Vanilla	Shirataki Rice
	Chocolate Spread			Shirataki Noodles
	Strawberry Jam			Salted egg seasoning
	Peanut Almond Butter			Chicken broth seasoning
	Javanese sugar			Instant Brownies Mix
	Honey			
	Condensed Sugar-Free			
	Cocopandan syrup			
	Leci syrup			
Orange syrup				

*Source: tropicanaslim.com (2024)*

Based on Table 2, show that Tropicana Slim has a very wide variety of products. Tropicana Slim has direct competitors such as Diabetasol, Thermolyte, Nulife, and Equal Sugar (Akhiarni, 2024). The competitor Tropicana Slim, which has a product variety, is Diabetasol. The variety of Diabetasol products can be seen in Table 3. However, Tropicana Slim's other competitors, such as Thermolyere, Nulife, and Equal Sugar, only sell low-calorie sugar and do not have various products. Compared to the product assortment of Tropicana Slim, diabetasol is still unable to compete with Tropicana Slim in terms of product variety. Tropicana Slim has a large amount of

product assortment in width and length. At the same time, Diabetasol has less product assortment width and length. This makes consumers who want to buy low-calorie products have various options for purchasing Tropicana Slim. Product assortment for Diabetasol can be seen in the following table:

**Table 3 Product Assortment Diabetasol**

Product Assortment Diabetasol Products		
Product Assortment Width		
	Sweetener	Snack
Product Line	Diabetasol Sweetener	Diabetasol Wafer
Length		Diabetasol Powder
		Diabetasol Vanilla
		Diabetasol Chocolate
		Diabetasol Cappuccino
		Diabetasol Almond Oat

*Source: diabetasol.com (2024)*

Tropicana Slim offers a wider range of products than its competitors, as shown in Table 2. From the table, we can see that Tropicana Slim has five main categories: sweetener, snack, coffee, dairy and food condiment. Each of these categories also has a variety of product lengths. For example, Tropicana Slim has many flavor options in the sweetener category. When compared to their competitor, Diabetasol, which only has one product option for the sweetener and snack category.

A diverse product assortment gives consumers more choices and options to meet their needs and preferences. According to Broniarczyk (2018), Product assortment shapes customers' purchase decisions by influencing their perceptions, preferences, and decision-making processes. Businesses need to carefully manage their product assortments to balance variety and choice with simplicity and ease of decision-making to enhance the overall shopping experience for customers. Tropicana Slim has

a variety of product choices, so it needs to be studied further whether this product assortment is in accordance with consumer desires, so that the options of product offered can help consumers in making purchasing decisions and not making consumers confused while purchasing decisions.

Another factor that influences consumers purchase decision is price discount. According to Armstrong & Kotler (2023) discount is a direct reduction in the purchase price of a product or a service for a certain period or a larger amount . Based on the previous research conducted by Amanah & Harahap (2018) found that price discount have positive effect on consumers online purchase decision . Providing price discount by seller can influence consumer purchasing decisions to buy more products (Artana et al., 2019). The implementation of the price discount strategy is carried out by many sellers, such as retailers or directly with the product brand itself, because it can attract the attention of consumers to make product purchasing decisions. One product brand that implemented price discount as a marketing strategy is Tropicana Slim.

Tropicana Slim implements a discount program by providing various attractive discounts on certain days. With a variety of discounts program, consumers can enjoy Tropicana Slim products at more affordable prices, creating a more profitable and satisfying purchasing experience. Discounts provided by Tropicana Slim in Padang City are generally in the form of direct price reduction for a product or bundling products, such as combining two types of Tropicana Slim products so that they become a more affordable package. In retail stores, discounts, such as new year or Eid



discounts, are also given according to national holidays. PT Nutrifood provides discounts for Tropicana Slim products during the month of Ramadan this year as follows: for Oat Drink Vanilicious products, there is an 18% discount, Tropicana Slim classic 5% discount, Tropicana Slim Coco Pandan 10% discount and Tropicana Slim Syrup Orange 5% discount (Akhiarni, 2024).

Another factor that influences purchasing decisions is experience. According to Ihtiyar et al. (2019), In the tough competition industry has driven organizations to adopt transformed economic values derived from services or goods to experiences, especially in recent decades. B. Schmitt et al. (2015) believe that experiences cannot be bought and can happen during the purchase process. The consumption trend shifts from commodities, goods, and services to experiences. Tropicana Slim also realizes the importance of providing experiences to consumers. The research on experiential marketing at this time focuses a lot on the services sector, so in the previous research conducted by Rather (2020) suggests that further research needs to be carried out in other sectors. Tropicana Slim is a company that sells low sugar and calorie products. In its marketing activities, Tropicana Slim uses experiential marketing strategies to attract their potential consumers.

Tropicana Slim holds events to provide a memorable experience for its consumers. Events held include Hand4diabetes to commemorate World Diabetes Day, Beat Diabetes to commemorate World Health Day, and Beat Hypertension to commemorate World Hypertension Day (Akhiarni,2024). This event was carried out

by carrying out mass gymnastics or mass sports activities and followed by signing a petition. In addition, experience is also provided in retail stores, such as hand grip dynamometer challenges.

One of the events recently held by Tropicana Slim in Padang is Hand4diabetes. This event will be held annually in November 2023 to commemorate World Diabetes Day. Tropicana Slim got 1000 participants to perform mass gymnastics and 750 petitions at this event. Although this is an annual event, in 2020-2022 it was stopped due to Covid-19 pandemic (Akhiarni, 2024). The participants of this event are not all consumers of Tropicana Slim but are from communities engaged in sports and the public. In this event, participants will get experience from several activities such as free blood sugar checks, free product sampling, and education from doctors about the risks of diabetes and its prevention. In addition, the event atmosphere also provides experience to participants, such as the availability of a photo booth so that participants can capture their precious moments. The main event of mass gymnastics also provided an experience for participants, through new gymnastic accompaniment, music and energetic gymnastic movements. Participants who participate in the event are expected to get an exciting experience and be interested in buying Tropicana Slim products.

Experiential marketing takes into consideration both the logical needs and emotional aspects of consumers. Its goal is to accurately identify and fulfill consumers' expectations regarding products and services through the development of a suitable experiential strategy. In this context, experiential marketing activities are designed to

offer consumers diverse experiences related to goods and services (Akgün, 2021). So that through a series of activities carried out during the Tropicana Slim event is expected to provide a memorable experience for consumers.

Based on an initial survey on February 1, 2024, interviews were conducted with five consumers who purchased Tropicana Slim products in Padang City. The first question is the Tropicana Slim Variation sufficient to meet your needs, from the first question all respondents agreed that the Tropicana Slim product variety is sufficient to meet their needs for low-calorie products. Tropicana Slim products that consumers often buy include low-calorie sweetener, low-calorie coconut milk, low-calorie cookies and low-calorie canola oil. The second question is what do you think about the completeness of Tropicana Slim compare its competitors, from the second question the respondent believes that Tropicana Slim is more complete than its competitors, Tropicana Slim offers many product variants and is easy to find in Padang city retail stores, as for Tropicana's competitors Slim offers products with relatively few variations. The third question is have you ever experienced with Tropicana Slim, from the third question, three respondents have had experience from the Hand4diabetes event held by Tropicana Slim, at this event they received free samples of product, free education about the dangers and prevention of diabetes, and blood sugar checks. free blood. They also felt satisfied by participating in this Tropicana Slim event. Two more respondents had attended the Tropicana Slim event which was held at a retail store. When they wanted to buy Tropicana Slim products, the sales promotion girl there

offered a hand grip challenge, if they got a good score they would get a free tumbler from Tropicana Slim, but only one one of those who succeeded in getting the prize. The fourth question is do you know about the discount program offered by Tropicana Slim. From the fourth question, all respondents know about the discount program offered by Tropicana Slim. This is because they often get notifications from the sales promotion girl at the store about Tropicana Slim products being discounted, and inform them of upcoming discount programs, such as during the month of Ramadan. So, they think they will probably buy Tropicana Slim products during the month of Ramadan.

Based on the background description above, this research shows that many consumers today are interested in a healthy lifestyle and preventing diabetes. Tropicana Slim can be used as a low-sugar and calorie product option. This research is also aimed at customers who have purchased Tropicana Slim products through retail stores in Padang City. The research results make it possible to present things that can influence Tropicana Slim customers' purchase decisions regarding this product's advantages. So, researchers are interested in researching: **“The Effect of Product Assortment, Price Discount, And Experiential Marketing on Customers Purchase Decision for Tropicana Slim Product in Padang City.”**

## **1.2 Statement of Problem**

Referring to the description that has been provided previously, the researcher formulates the problems that are the focus of study in this study as follows:

1. How does product assortment affect on customers' purchase decisions for Tropicana Slim products among consumers in Padang City?
2. How does price discount affect on consumers' purchase decisions for Tropicana Slim products among consumers in Padang City?
3. How does experiential marketing affect on consumers' purchase decisions for Tropicana Slim products among consumers in Padang City?

### **1.3 Research Objective**

The researcher aims to achieve the results in this research by referring to the problem formulation that has been described previously, and this aim can be interpreted as follows.

1. To investigate the effect of product assortment on the purchase decision of Tropicana Slim products among customers in Padang City.
2. To investigate the effect of price discounts on purchase decisions for Tropicana Slim products among customers in Padang City.
3. To investigate the effect of experiential marketing on the purchase decision of Tropicana Slim products among customers in Padang City.

### **1.4 Contribution of the Research**

The purpose of this research is to provide valuable contributions to various parties. Thus, the following are some of the benefits expected from the results of this study:

## 1. Academic Benefit

The research is expected to expand understanding and knowledge of marketing management. This study contributes to the literature as a few studies examine the effect of product assortment and experiential marketing on customers' purchase decisions. This study provides essential information about whether product assortment, experiential marketing, and price discounts are necessary for customers' purchase decisions. In addition, this research is expected to contribute to the development of science and become a reference for further research.

## 2. Practical Benefits

### a. For the Tropicana Slim brand

The results of this research are also expected to bring benefits to PT Nutrifood Indonesia's marketing management and other healthy industries in identifying which marketing strategies are more effectively and efficiently used in improving purchasing decisions. This research is also intended to provide benefits to the company PT Nutrifood Indonesia and provide information input in developing the business now and in the future.

### b. For the General Public

This research can be a source of information for the public to find out how much the Tropicana Slim brand builds marketing strategy for its consumers and as a reference in purchasing decisions.

## 1.5 Scope of The Research

In conducting this research, the researcher limits the problem to focus more on the problem to be studied. This research discussion focuses on the effect of product assortment, experiential marketing, and product discounts on purchase decisions for Tropicana Slim products in Padang City. This discussion is described in a complete and integrated manner by previous research, which is used as a guide in research so that conclusions can be drawn according to temporary presumptions.

## 1.6 Research Systematics

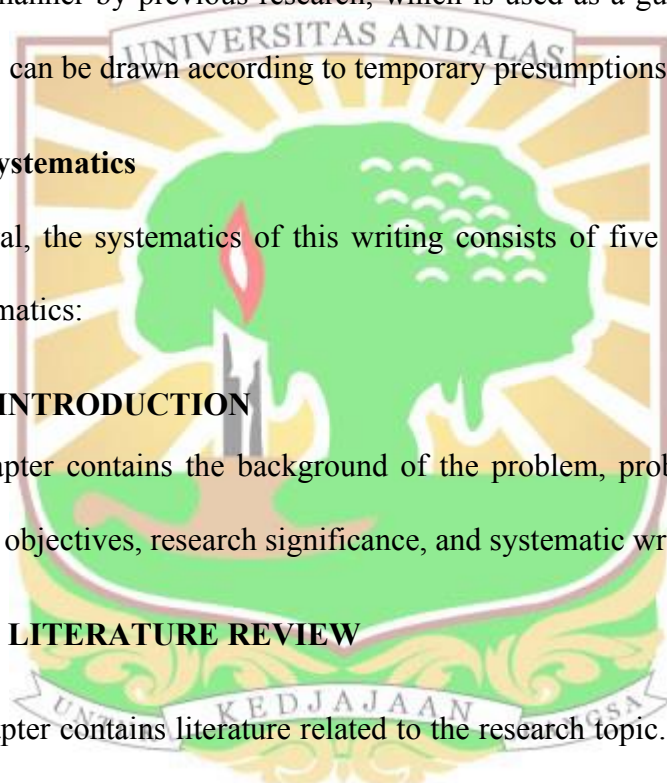
In general, the systematics of this writing consists of five chapters with the following systematics:

### **BAB I: INTRODUCTION**

This chapter contains the background of the problem, problem formulation, research objectives, research significance, and systematic writing.

### **BAB II: LITERATURE REVIEW**

This chapter contains literature related to the research topic. This chapter also contains a framework of thought and an analytical model that underlies the research.



### **BAB III: RESEARCH METHOD**

This chapter describes the approach used in the research, the type or type of research, data collection techniques, data analysis techniques used, and research instruments.

### **BAB IV: RESULT AND DISCUSSION**

This chapter contains the analysis of the data obtained from in-depth interviews, which are processed with guidance on related theories to obtain answers to the questions written in Chapter I.

### **BAB V: CLOSING**

This chapter contains conclusions, implications, limitations of the research, and suggestions from the analysis conducted. Analysis was conducted as an answer to the questions in the study.

