CHAPTER I

INTRODUCTION

1.1   BACKGROUND OF THE STUDY

In this present age, brand is the important tool to uplift the economy of any country. Consumer affection is a complex process that significantly affects purchase intentions. The process of purchasing decision making is influenced by controllable and uncontrollable factors, including cultural, social and group factors including: family, culture and subcultures, age, stage of life, character, reference groups and opinion leaders, and social class, as well as individual and internal factors such as perception, attitude, learning and lifestyle. Brand awareness acts in the consumer's life as the first point of interaction with brands. Brand awareness is associated with the information node in the memory; the ability of customers to recognize a brand under a variety of conditions reflects their awareness of the brand. Brand awareness is one of the main factors in creating brand added value and is also considered as one of the key factors affecting the knowledge level of consumers about the brand.

Brand awareness is an important tool that can influence the purchase decision because when the customer want to buy a product, usually brand name comes to their mind that shows company or brand that has more loyalty. Higher brand awareness tend to have more loyalty and market image (Wheeler,2012). A brand could be defined as seller's promise that he will provide a distinctive set of features to its customer's consistently when a brand provide quality products to its customers they will be loyal to brand and make repurchase decision (Mootee,2013).

In order to gain awareness and understanding of consumer purchasing decisions that companies invest heavy resources of finance and time and study the behavior of consumers toward a brand. It indicates that

brand is a key assets for businesses through which they can influence the purchasing decision of its customers (Houle, 2012). Consumer choice is influenced by awareness and loyalty of brand and companies tries to keep their brand in consideration of their customer by repetitive advertising and fulfilling the expectations of its customers. At the point when clients has more learning about the apparent quality by a brand they will ordinarily lean toward that specific brand.

In the competitive environment it is necessary for any company to retain its customers and it's difficult for the company to retain its customer because brand has to fulfill his customer's expectation to prove that the decision of the customer was right. If the customer is convinced to repurchase the brand after using first time it shows the loyalty of customers toward brand (Aaker, 2015).

Something that consumers want is how to get the needed items as well as providing a diverse range of products and alternative options, prices competing, satisfying service and facilities and a comfortable shopping atmosphere are all in one store.

Niaga Baru is a brand that has ranges in hardware based in Medan. Until this moment, Niaga Baru has already done an expansion to Banda Aceh, Siantar and Tebing Tinggi. Selection of this brand as the object of research is because Niaga Baru is able to maintain its existence in the market despite a lot of similar businesses emerging.

The numbers of store expansion in Medan in 2015–2017 can be seen as follows :

Table 1.1 The Number Of Brand Expansion in 2015-2017

Year	Medan
2015	65
2016	68
2017	55

Source : CV. Niaga Baru Medan (2018)

From the table above, it can be seen that there has been a decreasing store in Medan in 2017. This can be happened because competitors who are making a new brand with a better quality, as this is happening, clients who usually buy our brand, change their interest to competitor's brand.

In addition the writter also conducts a preliminary interview with 2 customers. Customer with initial Y mention that CV. Niaga Baru has problems with advertisings which make user did not know or was late to realise that there are new products existing in the market,while the second customer with initial A mentioned that the brand name "Niaga Baru" is still new to there ears. From that interview the author has found that the consumer of CV. Niaga Baru Medan has alot of competitors that have better quality of goods and also the consumer still find hard to trust the brand which is also lacking of advertisement and promotion. Realizing the problems that happen in Niaga Baru Medan. Writer is interested to do a research with title "**The Influence of Brand Awareness towards Customer Buying Intention at CV.Niaga Baru Medan**".

1.2   PROBLEM LIMITATION

In order for this research can be done more focused, perfect, and deeply then the authors are regarding to the research issues that have been raised which need to be limited in variables. Here are the lists of the indicator to brand awereness and customer buying intention :

Brand awareness   : Name, Advertising, Promotion and First mover (Shadid,2017).

Customer buying intention   : Trigger, Outcome expectation, Recommendation,Personal association (Shadid,2017).

Therefore, the authors restrict themselves to only relating to customer buying intention at CV. Niaga Baru Medan.

1.3   PROBLEM FORMULATION

Based on the limitations of the problems that have been selected, the authors can formulate that the research problems are that is there any influence of Brand Awareness towards Customer Buying Intention at CV. Niaga Baru Medan ?

1.4   OBJECTIVE OF RESEARCH

The objective of the research is to know whether there is any influence of brand awareness towards customer buying intention in CV. Niaga Baru Medan.

1.5   BENEFIT OF RESEARCH

1.5.1 THEORETICAL BENEFIT

The results of this study can be a foundation in the development of learning media or application of further learning media.In addition it also becomes a value-added scientific knowledge in the field of education in Indonesia.

1.5.2 PRACTICAL BENEFIT

The benefits of this research in addition to beneficial to researchers, are also expected to be beneficial to the companies because for company, this research can be used as a tool for analysis of brand awareness through the variables used in this study so that company can choose the most appropriate choice.

1.6   SYSTEMS OF WRITING

To understand more clearly this report, the materials contained in this Skripsi are grouped into several sub chapters with the following systematic delivery:

1. CHAPTER I INTRODUCTION
   Contains about background of this studies, problem limitation, problem formulation, obejctive of the reasearch, benefit of the research, theoritical benefit, practical and system of writing.
2. CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT
   This chapter contains theoritical background, previous research, hypothesis development, research model, framework of thinking.

3. CHAPTER III RESEARCH METHODOLOGY

This chapter contains research design, population and sample, data collection method, operational variable definition and variable measurement and data analysis method.

4. CHAPTER IV DATA ANALYSIS AND DISCUSSION

This chapter contains general view of research object, and data analysis, descriptive statistic, result of data quality testing, result of hypothesis testing and discussion.

5. CHAPTER V CONCLUSION

This chapter contains conclusion, implication and recommendation.