

# CHAPTER I

## INTRODUCTION

### 1.1 BACKGROUND OF THE STUDY

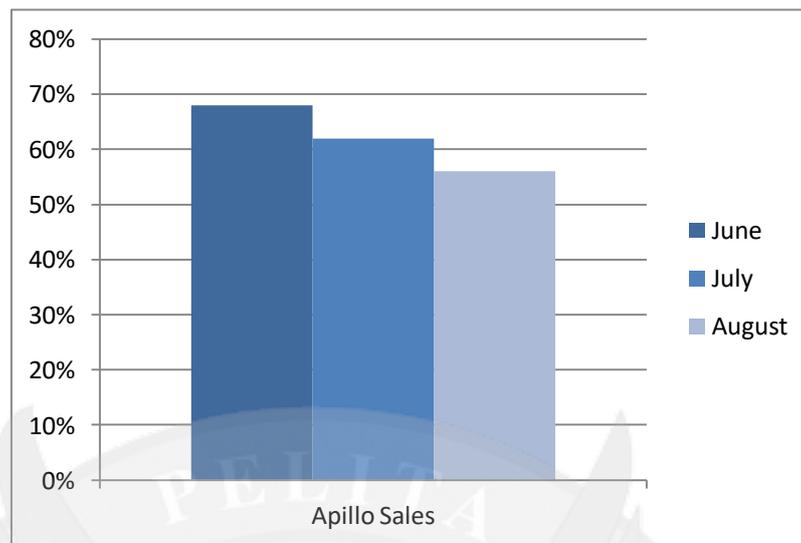
Indonesia is a country that has a fairly large population, with a sizeable population, Indonesia is a potential marketing area for goods and services for companies. Various companies try to market various types of products and services that they create, ranging from food, beverages, health and products to communication. The industrial world in Indonesia has grown rapidly, this has led to the competitive conditions of today's business world increasingly tight. Every company is required to strive to create a sustainable competitive advantage in the face of more and more emerging competitors engaged in the same industry. As more industries emerge as a result of increasing and varied levels of human needs, the marketing sector is very influential and is an important element in facing competition.

Companies are required to be able to create a product that is able to compete with other products if they want to survive in the flow of business competition. The number of new competitors that have sprung up with new marketing strategies will also make competition tighter and heavier. A company can be a winner in its business competition if the company is able to attract as many customers as possible. The many types of products offered in the market cause customers to choose products to suit their needs and obtain the highest quality products. Every consumer has different attitudes and behavior towards a product. The success or failure of a product is influenced by consumer attitudes and behavior towards the product concerned. Understanding customer behavior is an important task of marketing management, so that customers receive products offered by the company. By identifying markets, companies can find out what strategies will be used and used in selling their products so that customers want to choose to use company products to meet their needs.

According to Harwani and Pradita (2017), Customers experience the analysis phase by comparing brand images in buying decision, most of the time customer buy something based on most preferred brand.

A brand that has a quality product or service that is good and able to meet consumer needs will of course provide the image (image), awareness (awareness) and trust (trust) consumers of the brand. Brand awareness can be defined as the ability of potential buyers to recognize (recall) or recall (recall) a brand as part of a product category. Consumers who are not aware of the existence of a particular brand can create a doubt during the purchasing decision process.

PT Asia Sakti Wahid Food is a family business company in which the company is controlled, and is run by several family members. The family as a system is more emotional, because it is united by deep ties that influence it in doing business, including the family upholds the loyalty and maintenance of its business. In addition, families also tend to be conservative, minimizing change to keep them intact. In other words, family orientation is deeper. Meanwhile, business-based work is market-oriented and takes advantage of every slightest change. Based on the interview done by writer with PT Asia Sakti Wahid Medan, there are a decline in buying decision that is marked by decreasing in sales, due to lack of promotions from the Apilo section, which somehow gradually reduced the number of buying decisions, therefore the Apilo brand began to receive less attention in public. The Apilo brand problem is less well known by the number of customers compared to its strongest competitors, namely Twister and Gerry Chocolatos which are first circulating in the Market. This causes the level of purchasing decisions on Apilo ASW products to decline.



**Figure 1.1 Apillo Sales**

Sources : Sales Data PT Asia Sakti Wahid Medan

The lack of familiarity with Apilo products is due to the lack of promotion that is being done which compared to Marie Bread and other Hatari products are having more often frequency of promotion. And the promotion activities of Apilo products are complained a lot by customers where customers perceive promotions that are carried out less attractive in the form of low price cuts when buying in large quantities.

In accordance to the background of study which was stated above, the writer is motivated to conduct a research study which will be written in a paper format with a title: **“The Impact of Brand towards Buying Decision at PT. Asia Sakti Wahid Food Medan”**.

## 1.2 PROBLEM LIMITATION

Due to limitation of knowledge, the writer would like to limit research to brand as independent variable, whose indicators are Formula Speakable and Writeable, brand must be creativite, the logo and brand must be easily seen and read, do not use numbers and make a brand that has meaning (Marwanto 2015, p.159) , and its impact on buying decision as dependent variable, whose indicators are decisions about product

choices, brand choices, choice of purchase channels, purchase time and number of purchases (Priansa 2017, p.89-92).

### **1.3 PROBLEM FORMULATION**

The following are the research question in this study :

- a. Does brand have impact towards buying decision at PT. Asia Sakti Wahid Food Medan?

### **1.4 OBJECTIVES OF THE RESEARCH**

The following are the research objective in this final paper:

- a. To investigate how the brand impact the buying decision at PT. Asia Sakti Wahid Food Medan.

### **1.5 BENEFIT OF THE RESEARCH**

#### **1.5.1 Theoretical Benefit**

The benefit and results from the research can be used to enhance and contribute to theories about brand and buying decision.

#### **1.5.2 Practical Benefit**

- a. For the writer, the findings on this research are expected to add more knowledge and experience, especially in brand and the buying decision in real life settings.
- b. For the company, the writer hopes that with this research, the company can be educated and can raise the company stronghold and effectiveness to the best plan to face the buying decision through brand.
- c. For other researchers, the writer hopes that the results can be used as references for any further studies on similar topic.

## 1.6 SYSTEM OF WRITING

The following is the system of writing in this research:

### **Chapter I Introduction**

This chapter explain about the background of the study, problem limitation, problem formulation, objective of research, benefit of research, and system of writing.

### **Chapter II Literature Review and Hypothesis Development**

This chapter elaborates the theories of entrepreneurship, family business, brand, buying decision, and the relation between brand and buying decision.

### **Chapter III Research Methodology**

This chapter is the method and way used in conducting the research. The writer will present research design, research object, data collection method and data analysis method.

### **Chapter IV Data Analysis and Discussion**

This research is analysis of data from the company. This chapter consists of general view of research object, data analysis and discussion.

### **Chapter V Conclusion**

This chapter is conclusion of the research. The writer will present conclusion after conducting the research, implication of this research and recommendation for the company.