

CHAPTER I

INTRODUCTION

1.1 Background of the Study

These days every sector of business is being in the hard time. Every company is try to keep on seeking every chance and apply best strategy to survive. In this condition, brand awareness and brand trust also can be the crucial part to help the company. The company can use this benefit in this condition, the reason why it can help is that can being factor that support for the customer purchase decision.

According to Romaniuk et al. (2017), brand awareness is a customer's ability to identify or recall that a given brand belongs to a specific category of products. While, according to Anggara (2021) brand trust mean that the customer that completely believe on the brand which will give them the best of their product. The product will being cover start from the durability, expectation, feature, and service quality. With this the customer will feel fulfill with the products. Therefore, brand trust is defined by the customer trust on the brand that will give them the best product.

The research will take place in PT. Harum Manis Agung. It is a company that running on the transport services since 1982 that located in Jln. Pertiwi No. 67

Medan, Indonesia. The company is providing the transport service that include into some region like Sumatera Utara, Riau dan Jambi.

Table 1.1 Trips Data in the past 5 years of PT. Harum Manis Agung, Year 2018 – Year 2022 (January-August)

Year	Unit of Trips
2018 (January – December)	1,278 trips
2019 (January – December)	1,053 trips
2020 (January – December)	1,028 trips
2021 (January – December)	1,115 trips
2022 (January – August)	895 trips

Source: PT. Harum Manis Agung (2022)

The decrease in trips indicates a decline in sales, this can be seen during the Covid-19 period that occurred in 2019-2020, causes by some problems faced by PT. Harum Manis Agung, one of them from the brand awareness side. Because the company works on a contract basis and does not have a promotion system, it is difficult for this company to raise audience awareness. In addition, there is no detailed information about the company that is provided to the public, such as through websites or social media. This impact on customer knowledge about the company which influence on failed purchase decision. Thus, it is difficult for companies to raise awareness and develop as well as compete in the market.

Table 1.2 The number of complaints at PT. Harum Manis Agung

Complaints	Total of Customers
Delay on shipping process	41
Insufficient communication platform	28
Total of Customer Complaints	69

Source: PT. Harum Manis Agung (2022)

Based on the data above, the company faces numerous complaints by customers, especially for the lateness on shipping process. This is happened because of unpredictable weather conditions that occur during the trip, such as heavy rain, which causes slippery roads; where company must be cautious due to the large number of loads from trucks, which can cause accidents. Furthermore, bad weather can cause landslides, that also necessitate stops or heavy traffic. Also, local accidents and road repairs, can cause the delivery trip to be delayed. If the company receives repeated complaints, it may cause dissatisfaction and disappointment in the company's brand image. Because PT. Harum Manis Agung stated that they provide service delivery that is both time and cost efficient, if the delay problem is not addressed immediately, the company's brand image will suffer, and have an impact on customer purchase decisions.

Another problem faces by PT. Harum Manis Agung is from brand trust. Companies find it difficult to gain trust in new customers due to lack of awareness and communication provided by the company. Of course, this impact on the declining of trustworthiness which effect on decreasing sales at PT. Harum Manis Agung due to the company's attitude that ignores the importance of awareness and trust in a brand that can hinder its competition in the market world. because customers who trust a brand are more likely to stick with that brand and will affect on higher rates of purchase decision.

Due to the factor above, the writer is convinced that the influence of two factor above that will affect on the consumer purchase decision. With the background above, the writer will do a research in title **“The Effect of Brand Awareness & Brand Trust toward Customer Purchase Decision of delivery services at PT. Harum Manis Agung, Medan”**.

1.2 Problem Limitation

Based on the research done by writer, there was consumer purchase decision as the dependent variable are brand awareness include some indicators such as recall, recognition, purchase and consumption. And brand trust also as the dependent variables which consists of some indicators, namely: the brand, characteristics of company, and consumer characteristics. And last the customer purchase decision as the independent variables at PT. Harum Manis Agung. The data will be done by giving a survey to 38 customer who uses the services of PT. Harum Manis Agung for the last 1 year.

1.3 Problem Formulation

- a) Does brand awareness have partial affect the consumer purchase decision at PT. Harum Manis Agung?

- b) Does brand trust have partial affect the consumer purchase decision at PT. Harum Manis Agung?
- c) Do brand awareness and brand trust have simultaneous effect toward the consumer purchase decision at PT. Harum Manis Agung?

1.4 Objective of the Research

- a) To discover whether brand awareness have partial effect on the consumer purchase decision at PT. Harum Manis Agung.
- b) To evaluate whether brand trust have partial effect on the consumer purchase decision at PT. Harum Manis Agung.
- c) To analyze whether the brand awareness and brand trust have simultaneous effect toward consumer purchase decision at PT. Harum Manis Agung.

1.5 Benefit of the Research

1.5.1 Theoretical Benefit

The theoretical benefit of this research is to make us realize that brand awareness and brand trust will give an effect to customer purchase decision. Besides, it will make the reader to know the little kind of variable can also impact on the company progress. So, people can start to implement in the real situation. Thus, the writer hopes that this research will be useful for future research and for anyone who is dealing with a similar problem.

1.5.2 Practical Benefit

a) For the company

This research will provide the company some information about how brand awareness and brand trust can affect the declining customer purchase decision.

b) For the Customer

From this research, the customer will be provided information of how brand awareness and brand trust will affect their purchasing decision.

c) For Researchers

From this research, the researchers will be provided information of the effect of brand awareness and brand trust toward the customer purchase decision.

