

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In recent times more and more people have flocked to open small businesses to meet the cost of living, starting from opening restaurants, kiosks, stalls, street food, and also selling food online from Instagram, WhatsApp, Shopee, and others. This continues to grow over time and there are also some who close the restaurant because it is not profitable due to the conditions that cause this to happen. Even though there have been many new businesses that have started to emerge, there are also businesses that are still maintaining their business. In order to maintain this, many health protocols must be followed in which hygiene and product quality must be prioritized. Also due to this development more and more businesses are competing for customers, therefore good and correct marketing is needed. This marketing also has to evolve over time and can adapt to some changes.

As in Binjai, which is located near the city of Medan, many have started small businesses because of the large business opportunities they have. And as time goes by, some people do not have time to cook at home and some don't want to cook on their own. So usually people like this will prefer to buy food outside such as in restaurants, cafes, or food stalls. If most people prefer to buy food outside then what the customer wants is to have good quality food.

Product quality today is no less important for marketing a product so that it can attract the attention and enjoyment of customers. This factor is very important for the current situation where people are very concerned about quality so as not to affect health. Product quality can also be the main point in business competition which can strengthen the relationship between customers and business if the business has good product quality.

Brand awareness is also as important as product quality where customers usually prefer brands that are safe, comfortable, and of course well known by many circles. For example, Sosro Bottle Tea is a drink that is widely known by all people. This product has good quality, the price is not too expensive, it is also a well-known brand. Even though it only has one product, it can be seen that this drink has become widespread in Indonesia with very high brand awareness. With this, the Sroso Bottle Tea product is spread overseas and gets very positive results only with brand awareness.

This research will focus on the Danau Toba Binjai Restaurant, a family business that was founded in 2009 which serves a variety of foods and beverages. This business is located on Jl Tuanku Amir Hamzah, 146, Binjai, 20741, Jati Makmur, North Binjai, Binjai City, North Sumatra 20374, Indonesia. Most of these restaurants are known only to people who live in the Binjai area. This restaurant also collaborates with online services which can make it easier for customers to order food without having to be in place.

Rumah Makan Danau Toba Binjai is usually more crowded on Sundays and holidays, this is where Rumah Makan Danau Toba Binjai gets more customers and most of those who come are families who are gathering to spend time together outside the home. This restaurant is usually open from Wednesday to Monday (on Tuesday the restaurant is closed) and is open from 08.00 and closes at 18.00. This restaurant also has several mainstay menus such as iced tea, fried chicken, fried tempeh, nasi padang, iced orange, processed chicken or duck, and seafood, fresh or brackish fish. Rumah Makan Danau Toba Binjai also has a menu that can usually only be found on Sundays, namely liong tofu and this menu usually runs out before the restaurant closes. In this business, there are several things that are not supportive, such as the rating on the gofood application only reaches 4.4 stars and during this pandemic there are not many customers who come, unlike before, which were crowded with visitors.

Due to the situation and conditions during this pandemic, Rumah Makan Danau Toba Binjai is one of the restaurants that allows researchers to conduct research, starting from the strategic location of the restaurant which is located in the middle of the city and is quite familiar to the public. This family business also does not have a branch outside the binjai and only one restaurant is open. This is where researchers strive to develop brand awareness to all regions and ensure the quality of the products provided by Rumah Makan Danau Toba Binjai. Therefore, the author will conduct research with the title "The Effect of Brand Awareness and Product Quality toward Customer Purchase Decision in Rumah Makan Danau Toba Binjai".

1.2 Problem Limitation

Due to the lack of time, knowledge, and capability in this study, this research will only cover the area around brand awareness and product quality that affects customer purchasing decisions at Rumah Makan Danau Toba Binjai, where brand awareness and product quality are independent variables and customer purchasing decisions are dependent variable. This research will be carried out in the area around Medan, Binjai, Brahrang, and Stabat.

1.3 Problem Formulation

This research focuses on the effect that brand awareness and product quality on customer purchasing decisions, some of the questions the authors focus on answering:

1. Does brand awareness have an effect on customer purchasing decisions at Rumah Makan Danau Toba Binjai?
2. Does product quality have an effect on customer purchasing decisions at Rumah Makan Danau Toba Binjai?
3. Does brand awareness and product quality have an effect on customer purchasing decisions at Rumah Makan Danau Toba Binjai?

1.4 Objective of the Research

These are some of the objectives of the research, namely:

1. This is to determine the effect of brand awareness on customer purchasing decisions at Rumah Makan Danau Toba Binjai.
2. This is to determine the effect of product quality on customer purchasing decisions at Rumah Makan Danau Toba Binjai.
3. This is to determine the effect of brand awareness and product quality on customer purchase decisions at Rumah Makan Danau Toba Binjai.

1.5 Benefit of the Research

This research was conducted in order to be of use to the author and many people like other researchers who may be looking for information about brand awareness, product quality, and customer purchasing decisions, as well as for the restaurants where the research was conducted. The benefits of this research are divided into theoretical benefits and practical benefits

1.5.1 Theoretical Benefit

The theoretical benefit obtained from this research is where the researcher gets deeper insights and knowledge from research on brand awareness and product quality on customer purchasing decisions. This research can also be used for future researchers who have the same topic as references and future discussions.

1.5.2 Practical Benefit

With this research, restaurants can determine the extent of the effect of brand awareness and product quality on customer purchasing decisions. Also Rumah Makan Danau Toba Binjai can improve this, so that it can reach its full potential. This can be used for those who want to start a business or are in a period of business growth.

