

CHAPTER I

INTRODUCTION

1.1 Background of Study

The current economic conditions are not good and business competition is getting tougher in business which makes many companies compete to get market share so that this will trigger companies to continue to advance in maintaining and developing their own businesses. The company's ability to maintain the conditions faced will be of added value to the company's development in the future.

In today's increasingly broader hospitality industry, especially in the culinary business, the various challenges that exist today are increasingly complex and competitive. Each part of hospitality management offers a different concept and has different innovations as well. This will create increasingly unique choices for customers in determining the product or service they will choose.

In today's business competition, the ability to introduce a brand is needed so that companies are able to understand the brand. The competition between brands is getting tougher, making brand awareness even more important because businesses continue to emerge with new models and concepts. Therefore, in an effort to win business competition, it is necessary to have brand awareness from customers and will make the brand one of the main choices of customers.

In determining purchasing decisions, one of the things that customers will consider is brand awareness. Consumers who are aware of a brand will tend to remember the brand and make the brand the main brand choice when making

purchases. Brand awareness shows the knowledge that consumers have about the existence of a brand.

According to Adisty and Pradhanwasti (2016), raising awareness is a mechanism to expand the brand market where the higher the brand awareness, the more consumers will recognize the product so they want to buy the product.

According to Saputro (2016), brand awareness has a positive effect on purchasing decisions. Thus, the better the brand awareness, the more purchasing decisions will be.

According to Novansa and Ali (2017), brand awareness has a positive and significant effect on purchasing decision. The higher the consumer awareness of a brand will influence purchase decision

Harper and Cordon is a pastry bakery business with a modern american style design. Pastry provides various menus such as cookies, gift and hampers. In addition to providing various pastry menus, Harper and Cordon also provides various equipment and ingredients for cakes of premium quality and customized premium gifts and hampers products, as well as providing catering service for certain events such as meetings, social gathering, birthdays, weddings and others.

Meanwhile, in carrying out business activities, the Harper and Cordon brand is less well known compared to other competitors in the business in the same field. Some competitors from Harper and Cordon who have good names that are well known include La Maison, Moiselee Patiserie, Harvest Cakes. Brand awareness of each brand can be seen in the following table's social media accounts.

Table 1.1
Comparison between Followers from Competitor

Name	Followers amount
Harper and Cordon	28.6k followers
Moiselle Patisserie	29.7k followers
Lamaison.id	90.8k followers
Harvest Cakes	497k followers

Source: Instagram, 2021

It can be seen that the Harper and Cordon brand lacks brand awareness from customers, this can be seen from the number of followers on Instagram social media accounts which also lose to other competitors with similar businesses. This shows that the brand awareness of Harper and Cordon is currently not well known by consumers compared to competitors. In addition, the name of Harper and Cordon itself is difficult for consumers to remember compared to other similar brands so that this makes Harper and Cordon brand awareness less likely to compete with other brands.

The problem faced by Harper and Cordon is the decline in the number of sales it has in the last few years. The following is the sales data of Harper and Cordon in the following table.

Table 1.2
Sales Data of Harper and Cordon Medan
2017-2019

Years	Sales Amount	%
2017	612,500,370	-
2018	598,500,250	97.71%
2019	565,200,000	94.44%

Source: Harper and Cordon Medan, 2017-2019

From the sales data, it can be seen that the number of sales from 2017 to 2019 shows a decline. This shows that there is a decrease in purchasing decisions at Harper and Cordon due to brand awareness that consumers have not been able to

achieve. With low consumer brand awareness, consumer confidence in Harper and Cordon products will decrease. The following is data on complaints received by Harper and Cordon regarding problems with their brand awareness.

Table 1.3
Complaint Data of Brand Awareness of Harper and Cordon Medan 2017-2019

Years	Amount	Problems about Brand Awareness
2017	25	<ol style="list-style-type: none"> 1. Cake and coffee products with the Harper and Cordon brand have a price that is considered too expensive compared to similar products 2. At the Harper and Cordon location, there are no dining tables, and it has a takeaway concept 3. Complaints from customers on products that are similar to products in other brands at a higher price. There is an order menu that is mixed with other menus
2018	29	
2019	31	

Source: Harper and Cordon Medan, 2017-2019

In the complaint data submitted by customers, it is also seen that customers have complained about problems regarding cake and coffee products which are still considered expensive by customers compared to other brands, locations with a takeaway concept and complaints from customers about products that are similar to other brands. The complaints submitted are also evident from several complaints on social media which show that there is a problem with brand awareness at Harper and Cordon Medan.



Figure 1.1 Review from social media

Source: <https://makanmana.net/2015/08/19/hco-gourmand/>

In the main problem described by the author, the decrease in purchasing decisions is thought to have occurred due to problems with brand awareness owned by Harper and Cordon Medan. Issues that have been complained of regarding brand awareness are still received from complaints with problems regarding cake and coffee products which are still considered expensive by customers compared to other brands, locations with a takeaway concept and complaints from customers about products that are similar to other brands. This problem makes brand awareness of Harper and Cordon products less attention from customers who tend to choose products from other brands.

Based on the explanation above, the writer then decide the title of research **"The Influence of Brand Awareness towards Customer Purchase Decision at Harper & Cordon Medan"**

1.2 Problem Limitation

With the limited knowledge and ability possessed by writer in conducting research, The writer limit the problem at complaints with problems regarding cake and coffee products which are still considered expensive by customers compared to other brands.

Brand awareness as the independent variable with the indicator from Aida (2018): recall, recognition, purchase, consumption.

Customer purchase decision as dependent variables with the indicator from Lubis and Hidayat (2019): product selection, brand selection, selection of

purchasing channels, amount of purchase and purchase time.

1.3 Problem Formulation

By analyzing the situation that happened above, and the description from the background of the study, the writer determines the problem formulation as follows:

1. Does brand awareness has influence at Harper and Cordon Medan?
2. Does purchase decision has influence at Harper and Cordon Medan?
3. Does brand awareness has influence at customer purchase decision at Harper and Cordon Medan?

1.4 Objective of the Research

The objective of the writer is to know:

1. To know the influence of brand awareness towards customer purchase decision at Harper and Cordon Medan.
2. To study aims to determine the brand awareness towards customer purchase decision at Harper and Cordon Medan.

1.5 Benefit of the Research

Benefits of this research can be listed as follow:

1.5.1 Theoretical Benefit

The theoretical benefit of this research is as follow:

1. By doing research, you may expand the writer's knowledge and skills in doing research.
2. Teaching materials for all students enrolled at Universitas Pelita Harapan in Medan

1.5.2 Practical Benefit

The practical benefit of this research is as follow:

1. To the company, to ascertain if the survey conducted would be beneficial in enhancing the company's performance.
2. To other individuals, prospective researchers, and readers: to serve as a guide in directing the reader to do further study that is consistent with this study.
3. Additionally, to obtain insight into what data needs to be updated as a result of this study, so that readers may see how to enhance the quality of their own data..