

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Currently, competition in the food and beverage (F&B) business world is at a very tight level. The fierce competition is due to the large number of new competitors that have emerged and of course by creating new marketing strategies that are able to generate a competitive advantage over their competitors. This type of business is included in the business is very much popular because food and beverages are considered the main needs. Interestingly, during the Covid-19 pandemic, especially in physical distancing conditions, the business is required to develop more through creativity and innovation, in order to produce a product that can compete with other products, if you always want to survive in the flow of business competition.

Good hospitality application is needed in running a culinary business. One of the elements of hospitality is service, which is prioritized in providing services. Assessment of employee service capabilities is always the main thing in consumer considerations. The ability of employees to provide services will be an important aspect of consumer assessment. In general, consumers really pay attention to the services provided as a major factor when buying or visiting.

In this study, it was located at Kopi Janji Jiwa at the HM Joni Medan branch. Janji Jiwa is a local coffee brand founded by Billy Kurniawan in 2018 and is currently under the auspices of PT Luna Boga Narayan (Jiwa Group). Janji Jiwa

coffee shop can be said to survive, because before the Covid-19 pandemic, Janji Jiwa was already known as a coffee shop with an on-demand coffee concept, where consumers could buy Janji Jiwa coffee through the Grab application (Grab Food),

Go-Jek (Go Food), and E-commerce (Tokopedia) as well as the Janji Jiwa application, namely (Jiwa+) which can be accessed by customers via smartphones.

Janji Jiwa Coffee is one of the contemporary coffees that is interesting for consumption for young people, especially the millennial generation. In addition to competing in terms of taste, Janji Jiwa coffee has a mainstay product, which offers a distinctive coffee taste but still at an affordable price; combination of espresso, milk, palm sugar and other innovative coffee variants with a wide variety of flavors.

Purchasing decisions are very important for consumers. According to Arfak et al (2019), purchasing decisions are consumer activities that are directly involved in making decisions to make purchases on products offered by sellers. A high purchasing decision from consumers for a product is the most important aspect for a company in carrying out its business activities.

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 (Chinomona et al., 2017), brand awareness is a broad term that encompasses brand familiarity, the potential for recall, as well as knowledge and opinions about the product. Because brand awareness is linked to

the information node in the memory, consumers' capacity to identify a brand under a range of settings shows their brand awareness.

The next factor that can have an impact on purchasing decisions is brand image. According to (Kim & Chao, 2019), brand image is another important construct in the consumer-based brand equity framework, which is defined as “a set of brand associations, usually in some meaningful way, while brand associations are anything linked in memory to a brand.

Media communication is also one of the things that can influence purchasing decisions. According to (Zuhirsyan et al., 2020), communication media is an intermediary in conveying information from communicators to communicants who have the aim of being efficient in disseminating messages or information.

This research was conducted at Kopi Janji Jiwa located at HM Joni Medan. In the current consumer purchasing decisions at Kopi Janji Jiwa, there is a decrease in income from 2019 to 2021. The decline in sales shows that there is a decrease in buying interest from customers and this shows decrease in purchasing decisions from consumers. This is due to a decrease in consumer interest in Kopi Janji Jiwa which can be seen in the following table.

Table 1.1
Revenue of Kopi Janji Jiwa HM Joni Branch

	Revenue at Kopi Janji Jiwa HM Joni Branch		
Month/ Year	2019	2020	2021
January	28,500,000	27,100,000	28,000,000
February	25,600,000	26,520,000	25,600,000
March	25,100,000	25,510,000	24,100,000
April	25,222,000	23,652,000	24,222,000
May	29,540,000	22,540,000	22,540,000
June	29,440,000	22,440,000	21,440,000
July	22,500,000	21,500,000	21,500,000

August	23,500,000	22,500,000	20,500,000
September	23,500,000	22,500,000	21,500,000
October	23,500,000	21,500,000	19,420,000
November	23,500,000	22,500,000	22,500,000
December	21,500,000	21,110,000	21,500,000
Total	301,402,000	279,372,000	272,822,000

Source: Kopi Janji Jiwa HM Joni Branch (2022)

It can be seen in the income data by Kopi Janji Jiwa HM Joni Branch, there is a decrease in income from 2019 to 2021. The lowest number of declines occurred in 2021 with revenues showing a downward trend. This shows that there has been a decline in purchasing decisions by consumers at Kopi Janji Jiwa HM Joni Branch.

In today's business era, it will add challenges and test the competitiveness of each company considering that it will be easier for people to compare and choose companies that are considered the best. Conditions like this encourage companies to continue to make new breakthroughs through the best creativity and innovation and can also attract consumer interest through a strong brand.

On brand awareness, the writer conducted a short survey of 50 respondents from 26 August 2022 to 31 August 2022 to discuss their knowledge of the very famous Janji Jiwa brand in Indonesia. Here are the results of a brief survey of the writer.

Apa yang menjadi alasan anda membeli kopi janji jiwa?
50 jawaban



Figure 1.1 Reasons of Buying Kopi Janji Jiwa (2022)

Source: Processed by Writer (2022)

Figure 1.1 shows that as many as 28% of 50 respondents bought Janji Jiwa coffee because Janji Coffee is quite widely known, then 26% of respondents bought Janji Jiwa coffee because they saw it from advertisements on social media. Meanwhile, 24% of respondents or 12 people bought Janji Jiwa coffee because the Janji Jiwa coffee brand was inherent and easy to remember and 22% bought Janji Jiwa coffee products because Janji Jiwa often provides attractive promotions. This initial research was conducted by the author to see the development of social media from Kopi Janji Jiwa.

Kendala/kekurangan apa saja yang anda alami saat membeli kopi Janji Jiwa?

50 jawaban



Figure 1.2 Problems of Buying Kopi Janji Jiwa (2022)

Source: Processed by Writer (2022)

Figure 1.2 shows the biggest obstacle experienced by consumers, namely 36% is that when buying coffee Janji Jiwa is a *tagline* on the packaging, making it difficult for consumers to distinguish and recognize which is the brand. Meanwhile, the next obstacle is that the terms and conditions of the promotion are not explained in detail, namely 26% or around 13 respondents. And the third obstacle is the lack of product variation, which is 24%. Two other obstacles are incomplete menu or product information and untidy product packaging.

In consumer-owned brand image, Kopi Janji Jiwa HM Joni Branch has many brand challenges now. As one of the coffees with the most outlets in Indonesia, currently Janji Jiwa is one of the brands that has a good image of the community. This can be seen from the results of the Top Brand Index in 2022 as follows.

Table 1.2
Top Brand Index 2022 Coffee Shop Categories

No	Competitor Brands	TBI 2022	
1	Kopi Kenangan	42.6%	TOP
2	Janji Jiwa	38.3%	TOP
3	Kulo	10.2%	TOP
4	Fore	6.5%	

Source: <https://www.topbrand-award.com/top-brand-index/> (2022)

With so many competing brands from Kopi Janji Jiwa, business competition also increases and the brand awareness that has been built for some time is also affected by the coffee brand which is growing at this time. In 2022, Janji Jiwa currently has a percentage of 38.3% which is in second place with the tightest brand competition with Kopi Kenangan as a competitor brand that is very well known to the public. It can be seen from the Top Brand Index 2022, even though it has the most outlets in Indonesia, at this time Janji Jiwa is still unable to compete with the Kopi Kenangan brand.

Communication media can be used in the process of brand recognition that can build a brand image, although on the other hand, the company's brand image is not fully controlled. In this case, Kopi Janji Jiwa has Instagram as their communication medium to consumers to spread the various promotions they provide. In getting to know a product, of course, people need media in their introduction to the product. For this reason, companies create products through

brands and inform through communication media. The products offered by the company try to attract consumers, then with promotions it also serves to remind customers of the product.

In media communication currently, Janji Jiwa has media communication that is not optimal. This can be seen from social media such as Instagram accounts which are not routinely uploading images, are not active in uploading activities which make communication with existing customers decreasing. This can be seen from the main account of the @kopijanjiwiwa and the account of @kopijanjiwiwa. hmjoni who is less active in posting images to attract consumers. Here is what the Instagram account looks like as a media communication of Janji Jiwa.

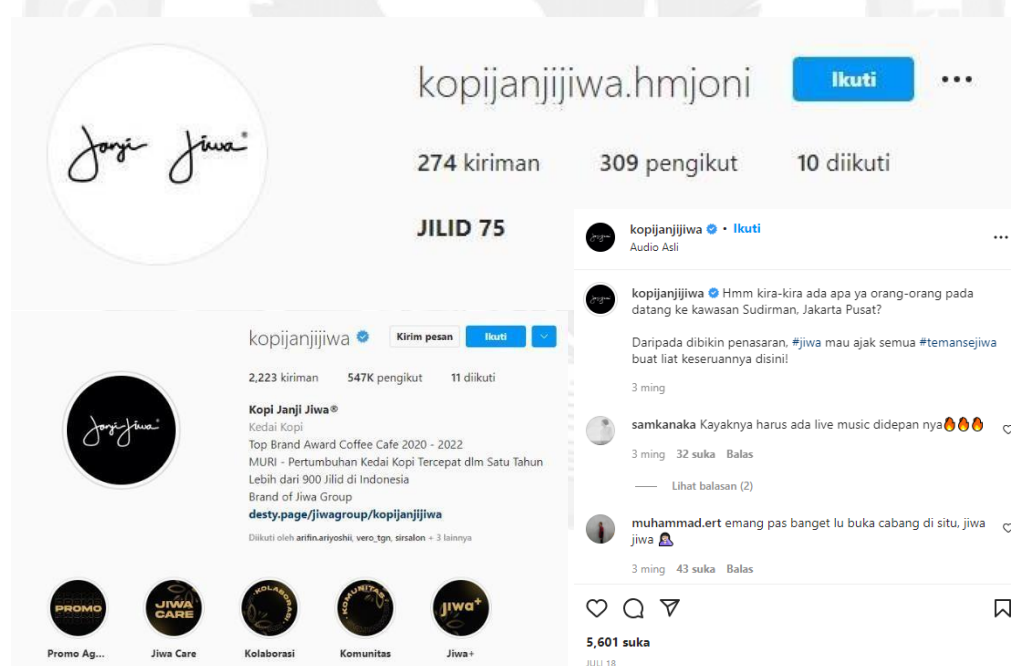


Figure 1.3 Instagram social media of Kopi Janji Jiwa HM Joni Branch (2022)
Source: Processed by Writer (2022)

Figure 1.3 shows the Instagram account at the HM Joni branch, not active in making Instagram posts and stories in attracting customer interest. In addition,

on the main account of Janji Jiwa, it is also only seen actively reposting stories and some of the promotions they hold without updating the images that are actively seen on July 18 since this post was taken. This shows that Janji Jiwa has not been optimal in carrying out media communication in attracting consumers.

Based on the description above, the writer is interested in conducting research on discipline and motivation and its effect on employee performance and writing it in the form of a final project report entitled "**The Effect of Brand Awareness, Brand Image, and Media Communication on Customer Purchase Decision at Kopi Janji Jiwa - HM Joni Branch, Medan**".

1.2. Problem Limitation

The writer of this study will collect data through the manager and employee from Kopi Janji Jiwa - HM Joni Branch, Medan. The object of research is customers of Kopi Janji Jiwa - HM Joni Branch, Medan. However, due to the limitation of time, budget, and data access. In this research, the writer will focus only on Problem limitations are Brand Awareness, Brand Image, and Media Communication as the independent variable (x) and Customer Purchase Decision as the dependent variable (y). The indicator of brand awareness are recall, recognition, purchase, and consumption (N Aida, 2018). The indicator of brand image is professional impression, modern belief, serving all segments, attention to customers (Ruhmahdi & M Mashariono, 2017). The indicator of media communication is effectiveness, efficiency, concrete, motivating (Lily Anita & Ardiansyah Imam, 2019). The indicator of purchase decision are problem introduction, information search,

alternative evaluation, purchase decision, post purchase behaviour (Wicara DG & Indra A, 2018).

1.3. Problem Formulation

Based on the background of the study, the question to be answered in this research are as follows:

1. How brand awareness has partial effect on customer purchase decision at Kopi Janji Jiwa - HM Joni Branch, Medan?
2. How brand image has partial effect on customer purchase decision at Kopi Janji Jiwa - HM Joni Branch, Medan?
3. How media communication has partial effect on customer purchase decision at Kopi Janji Jiwa - HM Joni Branch, Medan?
4. How brand awareness, brand image and media communication have simultaneous effect on customer purchase decision at Kopi Janji Jiwa - HM Joni Branch, Medan?

1.4. Objective of the Research

The objective of this research are as follows:

1. To explain partial effect between brand awareness on customer purchase decision at Kopi Janji Jiwa - HM Joni Branch, Medan.
2. To explain partial effect between brand image on customer purchase decision at Kopi Janji Jiwa - HM Joni Branch, Medan..
3. To evaluate partial effect between about media communication on customer

purchase decision at Kopi Janji Jiwa - HM Joni Branch, Medan.

4. To find out simultaneous effect between whether brand awareness, brand image and media communication have effect on customer purchase decision at Kopi Janji Jiwa - HM Joni Branch, Medan.

1.5. Benefit of the Research

The benefit of this research are as follows:

1.5.1. Theoretical Benefit

The results of this research are expected to contribute to the existing theories relevant with brand awareness, brand image and media communication have effect on customer purchase decision at Kopi Janji Jiwa - HM Joni Branch, Medan.

1.5.2. Practical Benefit

1. For the writer

The result of this research is expected to contribute to the exciting theories relevant with brand awareness, brand image and media communication have effect on customer purchase decision.

2. For Kopi Janji Jiwa - HM Joni Branch, Medan

This research as information about whether the survey that has been made will be useful to improve the company's performance.

3. For other researchers

To be a guide or reference in leading the researcher to do other research that is compatible with this research.