

CHAPTER I

INTRODUCTION

1.1 Background

The retail business in Indonesia has now become an informal industrial sector that is growing very quickly, along with the progress of the economy, especially in big cities in Indonesia. Supporting factors in this development are the opening of opportunities in terms of market penetration, the development of the manufacturing business that supplies its products to retailers, as well as the government's efforts to encourage economic growth.

In today's conditions, in order for a business to truly stand out among other brands, a brand must have a unique emotional connection. Brand association is something related to memory about a product. This association not only exists, but also has a degree of power. The attachment of a brand will be stronger if it is based on many experiences or appearances to communicate.

Tjiptono (2011) in Ikhsani (2020), brand association is the power of benefits that a brand offers to customers. Positive brand associations attached to brands can make it easier for customers to process and recall various information about the brand which will be very useful in the purchasing decision process. Furthermore, the brand association will be stronger attached along with the increasing consumption experience or brand exposure.

Syukron (2020), One of the products of bottled drinking water (AMDK) in Indonesia Indonesia is Le Minerale. Le Minerale is an artificial product a subsidiary of PT Mayora Indah named PT Tirta Fresindo Jaya engaged in the beverage sector. Le Minerale products start introduced to Indonesian consumers in 2015. Le . factory Minerale has been established in several regions in Indonesia, including in Ciawi, Sukabumi, Pasuruan, Medan and Makassar. And extra establishment of two new factories in Cianjur and Palembang in 2016. Factory expansion is expected to meet demand consumers and reach more consumers.¹ Mineral water products in the Le Minerale brand packaging have Le Minerale's unique tagline, "It's Like There's Sweetness" makes Indonesian

consumers are easy to remember. So it worked juxtaposing Le Minerale to be one of the mineral water brands in Indonesia Indonesia. Therefore, Le Minerale varies the size of the packaging to increase consumer demand and satisfaction consumer. Le Minerale packaging size variants start from the smallest Le Minerale packaging with a packaging size of 330 mL, then medium size with 600 mL, and large size with 1,500 mL.

Atmaja (2020), aqua is a brand of Bottled Drinking Water (AMDK) which produced by PT tirta investama. The increasing demand of the people of Bengkalis also causes increased competition in the category of bottled drinking water products. Bottled drinking water products circulating in the market include; from the danone group there is aqua, from PT. Tirta Investama and le minerale, from PT. Tirta Fresindo Jaya.

As a boarding house child in the city of Bengkalis, my main income comes from the monthly payments from my parents. Most of them do not have a fixed income. The behavior of consuming bottled drinking water is a common thing, considering that bottled drinking water is a product that is quite affordable for boarding children, practical, and quite time-saving as a substitute for ordinary drinking water which has to be boiled first. consume bottled drinking water.

Simamora (2001) in azizah (2020), In addition, aqua also increases the perception of quality in the eyes of consumers by adding variants of choice of bottled drinking water that has a taste. aqua and le minerale always maintain the availability of these products, so that consumers can easily get products at the retail level. In fact, stalls and traditional outlets sell these two products. The prices of the two brands are very different theoretically, brand loyalty is a core measure of brand equity because it is a measure of the relationship with customers of a brand.

Freddy (2020), The COVID-19 pandemic has affected the sales of bottled mineral water because many offices work from home (work from home). Based on market share, Aqua controls 46.7% market share throughout Indonesia. Meanwhile, Le Minerale as one of the new players, still has a 3.5 percent market share, so that this research is seen from the number of consumers, the researchers

took the two brands of mineral water, namely aqua and Le Minerale. The purpose of this study was to find out how sales and competition for bottled mineral air during the covid-19 pandemic did not decrease outside the home. This research was conducted in the city of Bengkalis. In this study, Markov Chain of Order Two was used. Based on this research, there is a great chance that in the future second-order aqua products will increase by 0.0061% and in the following month will decrease by 0.0002 while mineral products in September will experience a decrease of 0.0039 and in the following month they will experience a decrease in Large based on facts based on customer reasons is that the presentation is greater than Le Minerale products, which is 59.8, the percentage is 40.4. The market share of bottled mineral water will reach a stable condition in a period of 3 months where the market share in the first order aqua is 63.0 and Le Minerale is 37.0 while the market area for bottled water in the second order is stable in a period of 3 months. where the market share of the second order is Aqua products is 61.0 while Le Minerale is 39.0. But the fact is that even though aqua and le minerale have relatively the same strategy in increasing their brand equity, it turns out that aqua brand loyalty index (as a core measure of brand equity) continues to increase compared to le minerale. For this reason, researchers are interested in conducting comparative research on brand equity aqua with le minerale. And the aqua brand loyalty index persists even though its marketing strategy is relatively the same as that of le minerale.

Therefore, the authors are encouraged to conduct this research with the aim of looking at the comparison of the people of Bengkalis in choosing brand equity aqua and le minerale, because as can be seen, many people in the city of Bengkalis are confused. in choosing bottled water products and questioning which one is better. safe and good for consumption even think it's better to consume bottled water products that have been around for a long time (aqua). The level of cleanliness is also questionable, and the author also emphasizes that of these two products, aqua produces more packaging which attracts consumers to buy, while le minerale has not released many packaging.

Based on the background describe above, the writer is interested in conduting research with the title " Comparative Analysis on Mineral Water Brand Association of Aqua and Le Minerale in Bengkalis City'

1.2 Formulation of The Problem

Based on the background above, the writer will identify the following problems: how to find out the comparison of brand associations of aqua and le minerale mineral water in bengkalis city.

1.3 Purpose of The Study

Based on the formulation of the problem above, the objectives of this study are: To find out the comparison the mineral water brand association between aqua and le minerale in the city of bengkalis.

1.4 Scope of Problem

Based on the background that has been described previously, the authors make problem boundaries so that problems do not occur, the researchers limit the problems in this study are: This research is only aimed at the people of Bengkalis city who consume aqua and le minerale.

1.5 Significance of The Study

Each research is carried out in order to obtain benefits that are beneficial to all parties concerned. The benefits that are expected by the author in conducting this research are as follows:

1. Theoretical Benefits

a. For readers

This research is useful to increase knowledge about the importance of the role of brand equity of a product in the midst of competition for similar products.

b. For writers

As a vehicle for developing skills and applying the theory obtained in lectures, it is hoped that it can train the author's knowledge so that the author is able to dig up information about things that the author does not know, both the theory to be studied and the theories that good writing will learn.

2. Practical Benefits

It is hoped that it will be useful for the company in making decisions and determining the next more effective strategy to win the competition in the market and better able to determine the best brand equity for each product.

1.6 Writing System

The systematic arrangement of the discussion in the research on the comparison of the brand associations of Aqua and Le minerale, the authors describe as follows:

CHAPTER I : INTRODUCTION

This chapter contains the background, which presents the facts and data obtained through the findings in an event in the field of business administration. Formulation of the problem that contains the problem of the research to be carried out. Research objectives are goals to be achieved specifically and clearly. The benefits of research are for writers, institutions and fields of science concerned. The scope and limitations of the research contain the scope of the research and the things that are the main focus of the research so that it can provide boundaries for the problems to be solved in the proposal. The last part of this chapter is the systematics of writing a report containing a summary description of the material that will be discussed in each chapter in the proposal.

CHAPTER II : LITERATURE REVIEW:

This chapter explains the theoretical basis that will be used in the completion of research, both general and specific in

nature, consisting of previous research and theoretical foundations.

CHAPTER III :RESEARCH METHODOLOGY:

In this chapter the researcher will describe several things, including: location, time and object of research, types and sources of data, population and samples, sampling techniques, sampling techniques, sample collection techniques, data management techniques, measuring scales, validation and reliability testing, methods data analysis, research hypotheses, research models, types of research define concepts and operating variables, and the last is the research schedule and budget.

CHAPTER IV :RESULTS AND DESCUSSION

at this point, the author explain or outlines the results and discusses after the author conducted research based on data obtained through questionnaires, observation and case studies.

CHAPTER V :CONCLUSION AND SUGGESTION

at this point reseacher explain the conclusions of the results and discussion which is done in a conclusionand suggestion as resommendation for improvement on the related studyin the future.