

Analysis of Corporate Social Responsibility and Customer Experience effect on Brand Awareness and Consumer Purchase Decisions at Gramedia Jember

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Abstract : *The company in Indonesia is moving towards an integrated marketing communication (IMC) process. The tight competition between book companies today requires every producer to develop innovative products that suit with consumer needs. Brand Awareness is the most important component for the company's sales, so the sales strategy must be implemented properly through the components of brand awareness, corporate social responsibility, customer experience which have an impact on purchasing decisions for book products at Gramedia. However, there are some things do not show success and there are research gaps. The results of the study have a major influence on purchasing decisions on book products at Gramedia which are used to try to measure the customer experience of each consumer through brand awareness as an intervention. Corporate social responsibility is used as one of the planning strategies of book selling products at Gramedia, which will be higher than in other companies.*

Keywords: *Corporate Social Responsibility, Customer Experience, Brand Awareness, Purchase Decision*

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I. Introduction

Business competition is a natural thing in the industrial world. Each company competes to offer various advantages and benefits of the products, it is marketed with the aim of making a profit. In facing this competition, company management must be smart in creating certain bonds between the products that it offer and consumers. Companies are required to be able to determine the right marketing strategy in order to survive and win the competition, so the company's goals can be achieved. The industry is currently moving towards a process known as integrated marketing communication (IMC). According to a fairly broad perspective, IMC is the process of developing and implementing various forms of persuasive communication programs that are applied to customers or prospective customers on an ongoing basis. In Indonesia, there are large companies that oversee small companies, one of them is PT Kompas Gramedia. PT Kompas Gramedia oversees several well-known companies, which are Kompas Daily, Warta Kota, Gramedia bookstore. Gramedia main library and many others (www.kompasgramedia.com). In this study, we focus on only one company, namely the Gramedia bookstore, because the Gramedia bookstore is one of the largest bookstore retail chains with more than 100 branches that spread all over Indonesia. The current developments make Gramedia bookstores are not only focused on selling books, but also sport equipment, office stationery, school supplies, and even musical instruments. Besides, selling books directly, Gramedia also has an online bookstore it is related with the rapid development of bookstores that are visited by many and also the increasing of competition, PT. Gramedia Asri Media Gramedia Jember needs the right marketing strategy in achieving the company's goals to be able to produce quality products and compete with other companies.

The empirical phenomenon in this study is the sales data of Gramedia Jember for the last 4 years. in 2018 to 2019 it decreased due to the Covid-19 pandemic and the implementation of PSBB which caused restrictions on opening Gramedia outlets. And in 2020 sales increased again due to a strategy from Gramedia by holding online sales through Gramedia.com (www.Gramedia.com). In 2017, the total annual sales were 2268 books. In 2018 there was a decrease in sales, which was 1884 per year. In 2018 there was a decline in resale, which was 1740 per year, this was due to the covid-19 pandemic and the implementation of PSBB which caused restrictions on opening Gramedia outlets. And in 2020 sales increased again to 2551 because there was a strategy from Gramedia by holding online sales through Gramedia.com which were delivered to the buyer's house.

II. Literatur Review

CSR is a continuous commitment of business to behave ethically and contribute to economic development, while improving the quality of life of employees and their families, as well as the local community and society at large (According to the World Business Council for Sustainable Development; 2005) (in Kotler & Lee, 2005). Corporate Social Responsibility (CSR) is a phenomenon of corporate strategy that accommodates the needs and interests of its stakeholders. CSR has emerged since the era where awareness of long-term corporate sustainability is more important than profitability (Khairandy, 2008).

Customer experience is the form of understanding of consumers life style and extended the views of marketers from the products to the consumption process. For example, the customer is disappointed with the product of the service that has been received is unpredictable, and he complained then get an easy service, he will get a good customer experience. Opposite with the company's policy that is too convoluted, it will make a bad customer experience (Focus, 2010).

Based on Tjiptono (2011:97) brand awareness is the consumers ability to know and remain that the brand is one of the certain product member. Brand awareness is convinced as on of instrument that can influence the consumers to make purchase decision. This is the nature basic character of consumers who tend to look for tested and safe products. Consumers tend to decide to buy a product whose brand is already known rather than a product whose brand is less well known.

Purchase decisions by consumers begin with an awareness of the fulfillment of needs and desires. The process is then followed by the collection of information about the product by consumers. Consumers will compare several products with alternative products from the information obtained so that they will make a decision to buy or not to buy. The actions of consumers who are selective in choosing these products also occur in newspaper products (Sudaryanto et al. 2012).

III. Conceptual Model

This study focuses on the variables of Corporate Social Responsibility, Customer Experience, Brand Awareness and Purchase Decision. This study try to show how the relationship between Corporate Social Responsibility and Customer Experience and how it affects Brand Awareness and Purchase Decisions. With this CSR program, companies can build good relationships and build a good image in the minds of the community easily. With the creation of a good relationship, people can recognize and remember the product, so they can decide whether to buy the product. In addition to the Corporate Social Responsibility program, the company must also provide a good experience to customers after make a purchase, by providing a good experience, the customer will get an interest in making more purchases. This study explains the independent variables or independent variables, namely Corporate Social Responsibility and customer experience, intervening variables or intermediary variables, namely Brand Awareness and related variables or dependent variables, namely purchasing decisions. The conceptual framework in this study presents a Structural Equation Model (SEM) model that show the direct and indirect influence of the Corporate Social Responsibility and customer experience on brand awareness and its impact on purchasing decisions, based on theoretical foundations and previous research. The conceptual framework of the research can be described as follows:

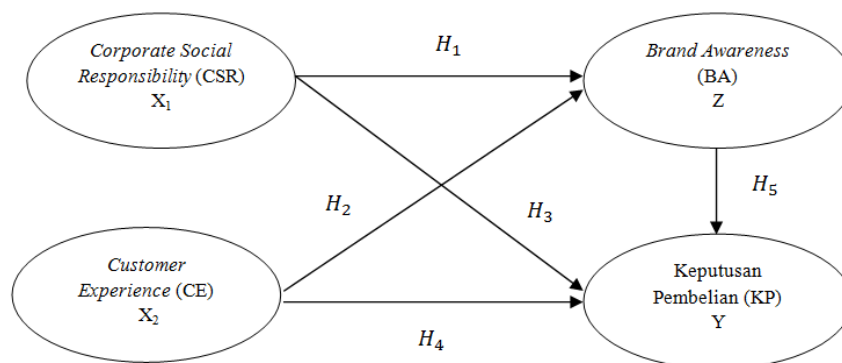


Figure 1. Conceptual Framework

HYPOTHESIS

The effect of Corporate Social Responsibility on Brand Awareness According to Kotler & Lee (2005) CSR is a company's commitment to improve the surrounding community for the better with freedom of way through business practices and company contributions (according to the company's capabilities and resources. With this CSR, companies can build good relationships and introduce the company to the community so that people are aware of the products issued by the company. This explanation is supported by research by Cervino

(2012) and research from Bankas a. (2010) which shows that Corporate Social Responsibility has a significant effect on brand awareness.

H1: Corporate Social Responsibility Program has a significant effect on Brand Awareness

The effect of Customer Experience on Brand Awareness According to Schmitt (2003), consumer experience is an event, event or situation that is personally experienced and occurs in response to certain stimuli (eg through various marketing strategies before and after sales). Customer experience has the following characteristics: Prioritizing consumer experience, the five senses, feelings and thoughts; Pay attention to the situation when consumers consume the product; and focuses on the rationality and emotionality of consumers. When consumers get a good experience when buying a product, it makes consumers aware of the products on offer. This explanation is supported by Milovanov (2017) and Lin Wang et. Al (2016) also shows that customer experience has a significant effect on brand awareness.

H2: Customer Experience has a significant effect on Brand Awareness.

The effect of Corporate Social Responsibility on Purchase Decisions According to Kotler & Lee (2005) CSR is a company's commitment to improve the surrounding community for the better with freedom of way through business practices and company contributions (according to the capabilities and resources of the company. The existence of this CSR program can provide a good image for the general public. This CSR program can foster public interest in the company that runs it, besides that people can remember the company well so that people are willing to make decisions to purchase products offered by the company. This explanation is supported by Bjorklund (2013) and Salam (2012) show that Corporate Social Responsibility affects purchasing decisions

H3: Corporate Social Responsibility has a significant effect on Purchase Decisions.

The effect of Customer Experience on Purchase Decisions According to Schmitt (2003), consumer experience is an event, event or situation that is personally experienced and occurs in response to certain stimuli (eg through various marketing strategies before and after sales). When consumers get a good experience when buying a product, it can indirectly foster interest in making a repeat purchase. This explanation is supported by research by Sudaryanto, et.al (2021) and research by Bhagwat (2014) which show that customer experience influences purchasing decisions. Penny's research (2012) also shows that customer experience has no effect on purchasing decisions.

H4 : Customer Experience has a significant effect on purchasing decisions.

The Effect of Brand Awareness on Purchase Decisions Brand awareness is the ability of consumers to identify brands under different conditions, as reflected by their brand recognition or recall achievement (Kotler and Keller, 2016: 346). If consumer brand awareness is very high, consumers will be very familiar with our brand, and over time there will be a high liking for the brand that we market and will influence to make a purchase. This explanation is supported by Fuller et.al (2013) and Jaiyeoba's research (2019) also shows that brand awareness has no effect on purchasing decisions. H5: Brand Awareness has a significant effect on Purchase Decisions.

IV. Conclusion

Gramedia's success in controlling the book product market in Indonesia is a maximum achievement. One of the achievement is achieved by the Gramedia company is the top brand data for most of Book products. Corporate Social Responsibility has a big impact on the sales of book products at Gramedia, in this case it shows that the concept of Corporate Social Responsibility has become a necessity to show the work of the company or organization entity. Strategic planning and complex utilization within the company are required as a form of maintaining the existence of book products at Gramedia in the competition for the book market in Indonesia.

Gramedia companies need an effective and efficient product sales strategy concept. With increasingly fierce competition, the concept of product sales strategy becomes the main subject in overcoming threats and opportunities. For this reason, further research is needed to determine the role of Corporate Social Responsibility and Customer Experience on purchasing decisions through Brand Awareness.

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