THE INFLUENCE OF BRAND IMAGE AND BRAND TRUST ON BRAND LOYALTY STARBUCKS COFFEE SHOP

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ABSTRACT

More competitive environment in food and beverage businesses pushes every company to define clearly its competitive advantage and formulate right its marketing strategies. Brand loyalty is a customer's preference for buying a specific brand among others. Brand loyalty is built by many factors. This research set both of brand image and brand trust as dependent variables. Starbucks became the market leader of coffee shop industry, which have the biggest market share in this industry. But, the trend of declining market share of Starbuck coffee brand is interesting to be studied. This research was conducted at Starbucks Coffee G-walk Citraland Surabaya. The purposes of this research is to find the influence of brand image and brand trust to brand loyalty. The basic premise of this research was developed based on the CBBE Theory of Keller's. Multiple linear regression analysis was chosen to determine the effect of two independent variables on brand loyalty using interval data scale. Conclusion that can be obtained in this research is: first, the model of this research proved feasible (fit) and significant. Second, all hypothesis are proven and significant at α 0.05, so the hypothesis is accepted. Its explains that the brand image perceived by consumers positively influence the positive loyalty of the brand as well. Brand Trust also has a positive effect on brand loyalty.

Keyword(s): Brand Image, Brand Trust, Brand Loyalty, Starbucks

1 PRELIMINARY

Coffee consumption in Indonesia tends to experience upward trends. It increased by more than 170% from 1.68 million 60 kg-bags in 2000 to 4.6 million 60 kg-bags in 2016, with a gradually continuous growth after 2010 (Fig.1). This indicates high potential in the coffee consumption that in turn can possibly attract more competition in coffee shop business.

More competitive environment in food and beverage businesses pushes every company to define clearly its competitive advantage and formulate right its marketing strategies. The latter cannot be separable with consumer aspects that play an important role as a measuring tool in determining the success of a product or service. According to Riana (2008), one of the important things that every company needs to do and be aware of is to retain existing customers and continue to compete in obtaining the new potential ones. As the consequence, the company must be able to maintain its brand loyalty. The company's brand is an intangible asset that is very valuable, very difficult to replicate, and helps with the financial performance and profit gaining.
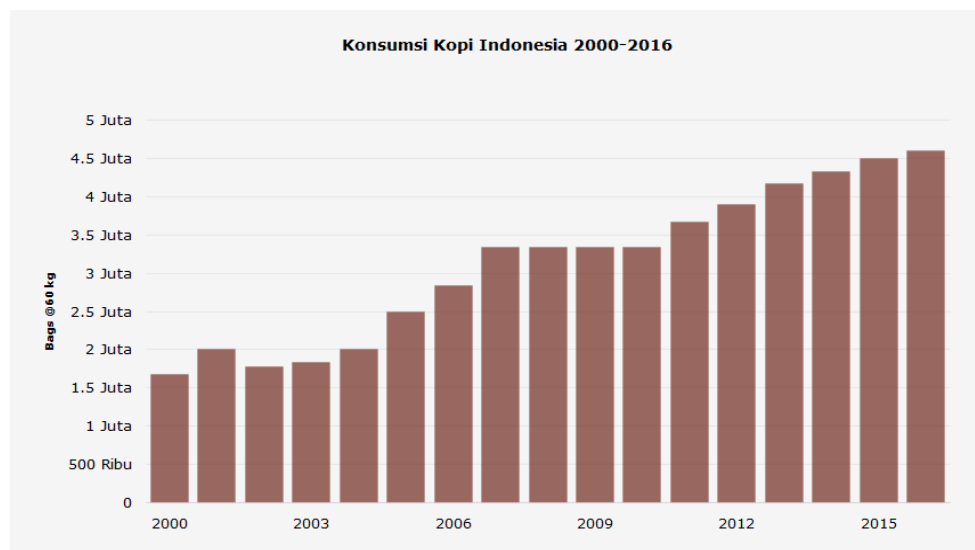

Figure 1. Data of coffee consumption in Indonesia from 2000 to 2016

Source: International Coffee Organization (ICO) (2018)

Brand loyalty is built by many factors, including brand image, brand trust, customer satisfaction, and others. This study refers to the research of Upamannyu (2014), Annisa, (2015), and Ardhiansyah (2014) which show that brand trust and brand image have a positive influence on brand loyalty.

Brand image is a representation of the overall perception of a brand and is formed by past information and experience about the brand. This image subsequently underlies a customer's decision to buy, even brand loyalty (Aaker, 1991). Lau and Lee (1999) stated that brand trust is the willingness to trust a brand with all the risks because of strong customer's expectation for what is promised by the brand. If a brand is able to meet the customer's expectations or even exceed and provide quality assurance in every opportunity of its use, then the brand trust will be easily formed. Brand trust will determine customer's brand loyalty and potentially create valuable relationships (Morgan and Hunt, 1994).

According to Keller (1998), building brand equity (brand equity) is seen as an important in brand building. Keller introduces the Consumer-Based Brand Equity (CBBE) model, which it's approach is viewed from a consumer perspective, either on an individual or an organization (Keller, 2003). The CBBE model has been developed by forming six sequences of "brand building blocks" collected into Brand Pyramid (Keller, 2003). The six blocks are Brand Salience, Brand Performance, Brand Imagery, Brand Judgments, Brand Feelings and Brand Resonance. Brand resonance (as the pinnacle of brand pyramid) refers to the consumer's psychological bond to a brand. These include consumer attitudes toward brands and their personality (Keller, 2003, Swartz, 2000 in Broyles and Schumann, 2004) their feelings for the brand community (Keller 2003; McAlbert, Schouten, and Koening 2002 in Broyles and Schumann 2004) they invest time and money and energy to buy and use, such as joining brand clubs, visiting web sites, participating in chat rooms (Keller 2003), and ultimately customers willing to become brand ambassadors and helping to communicate brands and strengthen brand position among other brands. In other words, a brand is have succeeded in building brand loyalty when it's able to reach the top position in the brand pyramid.
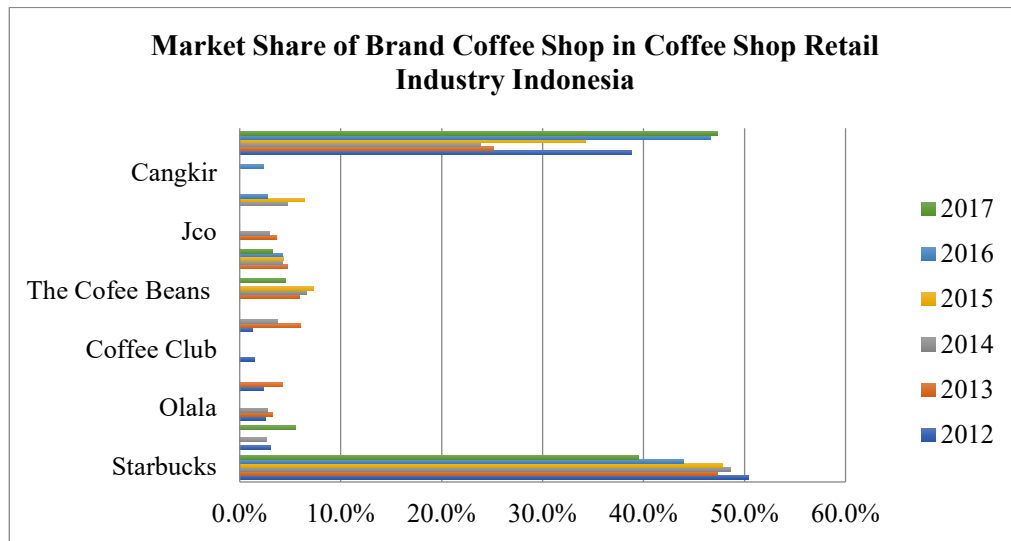
Market Share of Brand Coffee Shop in Coffee Shop Retail Industry Indonesia

Figure 2 : Market Share of Brand Coffee Shop in Coffee Shop Retail Industry
Source: *www.topbrand-award.com*

There are various brand of coffee shop in Indonesia, from domestic to multinational franchise coffee shop. Starbucks Coffee Indonesia claims growth of 20 percent. Until January 2018 Starbucks Coffee Indonesia is located in 320 different locations in 22 cities in Indonesia. (www.starbucks.co.id) For the past 6 years, Starbucks coffee has become Top Brand in Indonesia, beating its competitors coffee shop. In 2012, Starbucks coffee is able to achieve market share of up to 50.4% in the coffee shop industry. But it tends to downward trend. The largest decline occurred in 2017, which it's market share fell to 39.5%. (www.topbrand-award.com).

Even though Starbucks coffee still a market leader in coffee shop industry, the trend of declining market share of Starbuck coffee brand is interesting to be studied. Starbucks market share in the coffee shop industry can be associated that starbuck has a strong brand image. But the decline in market share shows consumer loyalty to starbucks brands also declined. This is the background of this research conducted and limits the study to one store of Starbucks Coffee G-Walk Citraland Sirabaya because its place is strategic among other competitors.

2 AIM, RESEARCH QUESTION AND HYPOTHESIS

The purposes of this research is to find the influence of brand image and brand trust to brand loyalty. The basic premise of this research was developed based on the CBBE Theory of Keller's. The research question to be answered are: (1) do the brand image influence significantly the brand lotalty of starbucks coffe shop? Thus, the first hypothesis to be tested is:

$H_{0, 1}$: Brand image has a significant effect on brand loyalty

$H_{1,1}$: Brand image has no significant effect on brand loyalty

Besides testing the influence of brand image to brand loyalty, researcher also want to test the influence of brand trust to brand loyalty. The second research question to be answered is: (2) do the brand trust influence significantly the brand loyalty of starbucks coffee shop? The second hypothesis to be tested is:

$H_{0, 2}$: Brand trust has a significant effect on brand loyalty

$H_{1,2}$: Brand trust has no significant effect on brand loyalty

3 RESEARCH METHODS

The research was conducted at Starbucks Coffee G-walk Citraland Surabaya. Site selection is done on the consideration of Starbucks Coffee at G-walk Citraland is one of the biggest Starbucks outlets in Surabaya City. The study was conducted for 5 months from February to June 2018. The data used in this research are primary data and secondary data. Primary data was collected directly by the researchers through interviews with respondents using the questionnaire as a research instrument. Secondary data is obtained from data, archives, research, documentation owned by the company and other relevant sources.

The data collection procedure used is simple random sampling technique, which is random sampling without considering the strata in the population. The selection of sampling technique is based on the consideration of the number of population members is not known for certain, so, in the determination of the size of the sample used the formula Unknown Populations. The questionnaire measured using five-point Likert scale (ranging from 1= "strongly disagree' to 5= "strongly agree")

The data were analyzed using SPPS program. Before analyzing the regression model, researcher do the classis assumption test (linearity, normality heteroscedastisity, and multikolinearity) to ascertain that the regression equation has an accurate estimation, not bias, and consistent. Validity and reability test also performed to question items in the questionnaire.

The equations in multiple regression in this study are the following:

$$Z = a + b_1 X_1 + b_2 X_2 + e$$

Z : Brand loyalty X_1 : Brand image
a : Constants X_2 : Brand trust
b_1, b_2 : Dependent Variable coefficient e : error

Table 1. Definition of research variable

Variable	Indicator	Data Scale
Brand Image (Shimp, 2000)	1. Attribute 2. Benefit Value 3. Overall evaluation	Ratio
Brand Trust (Chaudhuri dan Holbrook, 2001)	1. Trust 2. Reliable 3. Honesty 4. Safety	Ratio
Brand Loyalty (Yi and La, 2004).	Behavioral approach: 1. Buying a brand 2. Remembering only those brands, and not searching for information on brand relationships. Approach attitude: 1. Possibility of repurchase 2. Possible changes in the attitude of another brand selection in the long run, 3. Retention to changes in prices, attributes 4. Intention to recommend	Ratio

4 RESULT AND DISCUSSION

Multiple linear regression analysis was chosen to determine the effect of two independent variables on brand loyalty using interval data scale. Data processing uses stepwise multiple linear regression. With the stepwise method, the regression model was prepared based only on predictors (statistically independent variables) that were statistically significant. In this case an independent variable with a significance value greater than 0.05 will automatically not be taken into equation and discarded. Usually SPSS will automatically enter first independent variable with highest pearson correlation value, then followed by other variables with lower value, until finally stop if encountered variable that is not significant. (see the Correlation table, the X_2

value is the highest correlation value with Y so it is first entered into the model, followed by X_1.

Tabel 2. Mean and Standard Deviation of sample

	Mean	Std. Deviation
Y	2.8750	0.98400
X_1	3.5156	0.89073
X_2	3.2031	1.01073

According to the table 2, it's known that both of brand image and brand trust has a standard deviation of 0.89073 and 1.01073 smaller than the mean of 3.5156 and 3.2031. Smaller mean value than the standard deviation indicates that the sample shows a good representation of the overall data.

Table 3. Multiple Regression Analysis Results

	Regression coefficient	t-hitung	Sig.	
Brand Trust (X_2)	0.573	4.892	.000	Significant
Brand Image (X_1)	0.304	2.283	.026	Significant
Konstanta	-0.094			
R square	0.680			
F-hitung	64.857			
Sig	0.000			

The t test basically shows how far the influence of an individual explanatory or independent variable in explaining the variation of the dependent variable. This decision is made based on the comparison of significance value of t value of each regression coefficient with the level of significance that has been set. According to analysis result, brand image has smaller significance value than α (0.026<0.05), thus, $H_{0,2}$ is rejected which means that brand image affect the brand loyalty. Significance value of the first hypotesis also shows that brand trust has smaller significant value than α (0.000<0.05), thus $H_{0,1}$ is rejected so it means that brand trust affect the brand loyalty.

Test F shows whether all the independent variables included in the model have an effect simultaneously on the dependent variable. If value of F-table less than level of significance, it means all independent variables has significant influence to dependent variable. F test result shows the significance value less than α (5%). Thus, at the that significance level, both of brand image and brand has influence significantly to brand loyalty.

The value of R2 = 0.680 means that the regression model by entering X_1 (brand image) and X_2 (brand trust) as predictors can explain 68% the level of diversity in the dependent variable (Y), the rest is explained by other variables

in addition to predictor variables on the model. Multiple regression equation based on the result of the analysis is: $Y = -0.094 + 0.573 X_1 + 0.304 X_2 + e$

The phenomenon of declining market share of starbucks -in the constellation of brand image- can be viewed as a challenge. By many newcomers brands in the coffe shop industry, consumers are faced with many choices. It increases the chances of consumer' willingness to try other coffee shop brands, especially consumers who are sensitive to price changes and attributes. Starbucks must be able to provide quality assurance in every opportunity of its use. Therefore, it can minimize the chances consumer's willingness to try other brands, and then the brand trust will be easily formed. if starbucks consistent in delivering value and benefit in its products, providing identity and uniqueness in the products and services, when consumers try to consume other coffee shop products, but the experience they feel does not match their perception, then consumers will return to starbuks coffee even though they sver had explore other brands.

Building brand loyalty started with building brand image. Thus, Starbucks must be innovative in order to fulfill the market needs. Always renew both of benefits and the appearance of products. Providing services should be more creative, in accordance with the promised. Starbucks must be able to consist deliver its advantages so that the market is not easy to'leave' it. Starbucks also need to more communicative to communicate its brand to the target market. Thus the strength of starbucks's increases.

Second, Brand trust is important to deliver a brand occupy the top position of brand pyramid-consumer loyalty. Therefore brand trust on Starbucks need to be grown. By have positive experience of the brand, consumer will loyal to the brand. Even, consumer can be an ambassador who recommend the brand to other. In other words, the ability of the brand fulfill the consumer expectations will determine the consumer's trust.

5 CONCLUSION

Conclusion that can be obtained in this research is: first, the model of this research proved feasible (fit) and significant. Second, all hypothesis are proven and signifikan at α 0.05, so the hypothesis is accepted. Its explains that the brand image perceived by consumers positively influence the positive loyalty of the brand as well. It can be concluded that the better brand image created by a company, the better brand trust by consumers. Brand Trust also has a positive effect on brand loyalty. It can be concluded that trust will have a positive relationship with re-intention and loyalty.

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