Brand Loyalty Toward Starbucks in Indonesia

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Research Highlights

One of another factor that considered very sensitive and very important for companies today is brand loyalty (Asadur rehman, 2014). Benefit are very important to customer and company which come from Brand loyalty (Hayan Dib and Samaan Al-Msalam, 2015). What can affecting brand loyalty is costumer satisfaftion. A study was conducted reveal that there is increase a company profitability by 40-50, that caused by increased of costumer satisfaction by 5% a study by Bain and Co. (Hayan Dib and Samaan Al-Msalam, Rechheld and Teal, 2001).

Furthermore, Brand Loyalty is the marketing “Holy Grail” stated by (Kapferer, 2005).

Customerst that stated “very satisfied” or “satisfied” by 80% and 60% wont leave the brand (Reichheld and Markey, 2000).

Research Objectives

Brand loyalty is an important dimension in this case, so this research is also what factors influence brand loyalty to represent in Indonesia who want to buy and consume coffee from foreign franchises. The benefit for consumers is how they will be royal towards the product brand, because the brand they buy can receive what consumers expect. This tax comes from the credibility of the brand that has been used by many consumers in the past. And for companies, loyalty can increase credibility in producing appropriate products. This paper aims to reflect the relationship between product quality, brand image, price of fairness, customer satisfaftion and brand loyalty; in the context of franchising. Brand image is always a designation and consumer trust in how the product quality is produced and channeled to consumers that is produced by the company in the consumer. So, this study will provide recommendations to consumers that quality is indeed highly preferred, because if the quality of the product is good then the price, satisfaction with the product in the context of the franchise can be seen simultaneously.
Methodology

The data obtained the research empirical data that have certain criteria that is valid, objective, and reliable. To gather the data researcher will conduct a survey that are buyers of starbucks product in Jabodetabek. The unit of analysis is individual who are have buying the starbuck product and local domicile in JABODETABEK. Non-Probability sampling technique was used in this for quantitative research. Total respondent from questionaire are 312 respondents and 66 was dropped because its not meeting the certain criteria for this research, but in this research only use 246 respondent. Repondent in this study are millenials and baby boomers who have buying starbucks product, respondent who are student, college student, employee and a house wife and others. Data collection techniques using quistionnaire for the primary data. Questionnaire was distributed to respondent using google form and spreads using social media. The qustionnaire was distributed with several indicator for measuring 5 variable. The five variables are, Brand image, price fairness, product quality customer satisfaction and brand loyalty.

Results

The results of this study identify the analysis of what factors can affect brand loyalty to consumers and also which factors according to the most important consumers of consumer loyalty. Relationships that can be implemented in this study propose four hypotheses. The first is to be able to find out the relationship between brand image factors, product quality and price directly to customer satisfaction and then also to find out whether the influence of customer satisfaction on brand loyalty, then the third study to determine the indirect influence on brand image, product quality and price adequacy towards brand loyalty mediated by customer satisfaction. And in this research, after several tests were carried out, it was concluded that the four relations that were addressed were brand image, product quality, price and customer satisfaction had a significant positive effect on brand loyalty, so it can be concluded that if there are foreign or local franchises to have loyalty brand to their customers or companies must be able to meet these four variables such as brand image, product quality, price and customer satisfaction towards customer loyalty itself.
Findings

Brand Image, Price Fairness and Product Quality has significant and positive effect toward customer satisfaction and will drive into Brand loyalty, but some brands have still need to reconfigure what other factors influence customer satisfaction and Brand loyalty. For millennials and baby boomers who are living in local domicile in our research has no problem with the price that Starbucks given while most of them only bought in small scale as represent in our respondent response to our questionnaire.

References


