

## CHAPTER I

### INTRODUCTION

#### A. Research Background

Coffee culture is now a lifestyle among the population, including young people, in both developed and developing countries as in 21st century. In Indonesia, coffee culture has become a trend among young people, with young people using coffee as an option to meet friends, family, and even complete schoolwork and assignments (Nurhasanah & Dewi, 2019) at this time the culture of consuming coffee is already supported with the emergence of a more proper place to coffee, called coffee shop (Susanty & Kenny, 2015) In the past, there were not many coffee shops with proper facilities like now. However, conditions like this have changed because coffee consumption has become a lifestyle choice for the Indonesian people. Adapting the changes of time, locations, and places to coffee consumption have been created with their own uniqueness characteristics to attract the upper-middle class, which is sold at a price three to five times from the usual price compared to roadside coffee shops. Seeing this phenomenon, now many coffee shops are included in malls and star hotels (Dian et al., 2021) The culture of drinking coffee spreads quickly due to the meeting of foreign cultures with local cultures between regions (Nurhasanah & Dewi, 2019)

Many people want to focus on doing tasks will spend their time at cafes or coffee shops that they think are quite comfortable, with facilities. So, there is a growing competition of coffee shop businesses (Ramelan, 2021) Until it encourages cafe business managers to pay more attention to the needs and desires of its consumers especially for the strategy of consumer loyalty to their products (Suhud et al., 2017) Loyal consumers

will usually not look for alternatives to other options so they do not easily move on to other products. Loyal consumers usually buy more products, bring in new consumers, build good impressions, spread something that attracts attention from word-of-mouth and is usually not easily provoked by offers from other brands (Han et al., 2018)

Trend of coffee consumption over the past few years has become a new lifestyle for those, who living in cities (Dewi et al., 2020) . The public will choose safe and convenient coffee shops, usually those coffee shops located close to tourist attractions, and for some reason they have good safety standards. Yet certainly for some people will come to coffee shops that already have names in society, like starbucks. A brand that already has an impression becomes a lifestyle for user so dependence on its users and a strong contract to be loyal to the brand or product (Kang et al., 2015)

In Indonesia, there are many brand coffeeshop that have been popular among the public. Below, there are some of the popular coffeeshop brands

Table 1.1 Popular Brand of Coffeeshop

Brand	TBI		
	2020	2021	2022
Starbucks	43,9%	49,4%	49,2%
Excelso	-	-	7,5%
Coffee Bean Tea Leaf	11,7%	11,9%	10,7%

Sources : Top Brand Index Indonesia, 2022

Based on the above data, Starbuck has always been the top brand throughout 2020, 2021, and 2022. Not only that, Starbuck also has many stores in Indonesia. The following number of Starbucks stores in Indonesia compared other brands

Table 1.2 Popular Coffeeshop in Indonesia

Brand	Number of stores
Starbuck Coffee	440
Excelso	126
Coffee Bean	108

Source : (Rahmanulloh & Mcdonald, 2020)

According to the data that described above, the Starbucks phenomenon became popular in Indonesia, making it interesting to study and be an object of research.

Starbucks has many branches store that expand in large cities in Indonesia. One of the cities that has a Starbucks branch in Indonesia is Yogyakarta, especially Yogyakarta, which has the largest student population in Indonesia. Below is the data in Yogyakarta and several cities.

Table 1.3 Number of Colleges in several cities

Cities	The number of colleges
Yogyakarta	135
Semarang	26
Solo	50

Sources : (Kemendikbud, 2020)

From the table above it can be inferred that Yogyakarta has a large student population based on the number of high schools. Teenagers especially college students have a major influence on the progress of coffeeshop as most consumers of coffeeshop are teenagers and that phenomena us interesting to study (Hsb, 2023).

There are several previous studies using similar variables relationship as the variable used for this study. In the first study, discusses the relationship between brand image variables that significantly affect Satisfaction (CHA & SEO, 2019) Second study, discusses the relationship between Brand Image variables that significantly affect Brand Trust (Wijaya et al., 2020). Third studies, have been found that Satisfaction significantly affects on Trust (Rahman et al., 2020). Based on previous study, Satisfaction variables significantly affect on Brand Loyalty (Bae et al., 2020). Previous study have been found that Brand Trust significantly affect Brand Loyalty (Bozbay & BAŞLAR, 2020), Base on Akhila & Thamrin (2023) Satisfaction and Brand Loyalty is significantly moderated by Brand Love. Brand trust and brand loyalty also significantly moderated by brand respect. Satisfaction and Brand Loyalty is significantly moderated by Brand Respect. Brand trust and brand loyalty also significantly moderated by brand respect (Song, Bae, et al., 2019). As a research novelty, researcher add a new hyphothesis between brand image on brand loyalty (Mahothan et al., 2022)

From the explanation above, the researcher decided to make Starbucks the research objective and Yogyakarta the research location. In this study, the researchers will use

replication and modification as techniques from the reference journals used for this study, the title for this research is " The Impact of Brand Image on Brand Trust, Satisfaction, and Brand Loyalty Using Brand Love and Brand Respect as Moderating Variable" (Study at Starbucks coffee in Yogyakarta )

## **B. Problem Formulation**

From the title that the author has conveyed, the author tries to identify the following problems:

1. Does Brand Image have a relationship toward Satisfaction?
2. Does Brand Image have a relationship toward Brand Trust?
3. Does Satisfaction have a relationship toward Brand Trust?
4. Does Satisfaction have a relationship toward Brand Loyalty?
5. Does Brand Trust have a relationship toward Brand Loyalty?
6. Does Satisfaction have a relationship toward brand loyalty moderated by Brand Love?
7. Does Brand Trust have a relationship toward Brand Loyalty moderated by Brand Love?
8. Does Satisfaction have a relationship toward Brand Loyalty moderated by Brand Respect?
9. Does Brand Trust have a relationship toward Brand Loyalty moderated by Brand Respect?
10. Does Brand Image have a relationship toward Brand Loyalty?

### **C. Research Objectives**

In conducting research, the author must have a research goal in order to get benefit after doing research. The objective of this research are as follow :

1. To analyze that Brand Image have a relationship toward Satisfaction
2. To analyze that Brand Image have a relationship toward Brand Trust
3. To analyze that Satisfaction have a relationship toward Brand Trust
4. To analyze that Satisfaction have a relationship toward Brand Loyalty
5. To analyze that Brand Trust have a relationship toward Brand Loyalty
6. To analyze Satisfaction have a relationship toward brand loyalty moderated by Brand Love
7. To analyze Brand Trust have a relationship toward Brand Loyalty moderated by Brand Love
8. To analyze Satisfaction have a relationship toward Brand Loyalty moderated by Brand Respect
9. To analyze Brand Trust have a relationship toward Brand Loyalty moderated by Brand Respect
10. To analyze Brand Image Image have a relationship toward Brand Loyalty

## **D. Research Benefit**

### **1. Theoretical benefits :**

Theoretical benefit this study was able participate to research on marketing, concerning the relationship between Brand Image, Brand Trust, Satisfaction, Brand Loyalty and the lovemarks (brand love and brand respect)

### **2. Practical benefits :**

This study can provide and input well to enterprise management that coffeeshop in improving service quality and maintaining the existence of enterprise product, especially for Starbucks.