THE EFFECT OF BRAND EQUITY ON CONSUMER BUYING BEHAVIOR IN STARBUCKS MANADO TOWN SQUARE

PENGARUH EKUITAS MEREK PADA PERILAKU PEMBELIAN KONSUMEN DI STARBUCKS MANADO TOWN SQUARE

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Abstract: Brand equity is an intangible value of brand that may lead to premium pricing. Nowadays, there are so many coffee shops in Manado, whether they are traditional or modern ones. Each coffee shop has their own popularity that makes the competition within the industry even tighter day by day, including Starbucks which is known for having high brand equity. The study aimed to analyze the effect of brand equity on consumer buying behavior in Starbucks Manado Town Square (MTS). This research was done by using quantitative method, and processed using multiple regression analysis. The data were gathered from 100 respondents. The result shows that all the variables of brand equity simultaneously influence the consumer buying behavior in Starbucks Manado Town Square. Brand awareness, perceived quality, and brand loyalty have significant and positive influence on consumer buying behavior in Starbucks Manado Town Square, whereas brand association has no significant and positive influence on consumer buying behavior in Starbucks Manado Town Square. For the company management, it is recommended to improve brand equity so it can be the first choice of coffee shop in consumers’ mind.

Keywords: brand equity, brand awareness, consumer buying behavior


Kata kunci: ekuitas merek, kesadaran merek, perilaku pembelian konsumen
INTRODUCTION

Research Background

Brands are vital tools for companies’ sustainability. Brands exist to distinguish one product to other products. Nowadays, many people judge products based on their brands. To attain consumers, a company has to create or provide high quality of goods. If the quality is good, and it is worth the price, then consumer will become loyal to the brand. Having large amount of consumers will strengthen the brand’s position in the industry, and will eventually make the brand famous.

Among all parts of brand, there is one critical part for companies, which is brand equity. Brand equity most can be in a form of intangible value of products. Brand equity is the brand’s power that makes the company has wide recognition that ensures the consumers are loyal to the brands. By having that, consumers are willing to pay more money, just to purchase products from that company. There are a lot of similar products or services provided by companies. To win the market share, companies must be able to build strong brands which can result in the consumers preferring that one brand over others. Therefore, it is important for a company to increase its brand equity.

Starbucks is a coffee shop and is one of the most famous brands in the world. Established in Seattle, 1971, Starbucks has expanded its business by already having 22,519 stores worldwide, as of June 28 2015. The successful growth of Starbucks is a proof that the company is doing well at creating brand awareness, brand association, perceived quality, and brand loyalty (Aaker, 1991:269), which are the elements of brand equity. Indonesia is one of those countries that were chosen by Starbucks Company to open its business.

Since the success of companies also depend on its consumers, then it is important to understand the consumer buying behavior. In Manado, people tend to like something new and discount. If there are newly opened places like malls, stores, or restaurants, those places will be crowded by so many people, especially if the goods are being discounted. The throng will last for couple of days or even weeks. Another factor that influences consumer buying behavior in Manado is people are afraid of being outdated. People in Manado have a high spending-money attitude. Even if the price is premium, if they see one or many people buy something, than they will also go to buy that thing too. The recent case of this circumstance is Starbucks in Manado. It recently just opened its outlet in Manado city, in November 2015, which is located in Manado Town Square 3. It is the first Starbucks outlet to be opened in Manado, and it really attracts a lot of people. It could be seen during the first few weeks of opening where the place being so crowded by people who were willing to queue to buy its products. Even now, people are still enthusiastic to come to Starbucks, as the tables and chairs are filled by consumers.

The phenomenon of Starbucks having so many consumers despite of being a newly opened coffee shop in Manado arise curiosity of the researcher about the roles of brand equity on its popularity. Therefore, this research is conducted to analyze “The Effect of Brand Equity on Consumer Buying Behavior in Starbucks Manado Town Square”.

Research Objectives

There are five research objectives that the researcher would like to achieve by conducting this research.

1. To find out the influence of brand awareness, brand association, perceived quality, and brand loyalty on consumer buying behavior in Starbucks Manado Town Square simultaneously.
2. To find out the influence of brand awareness on consumer buying behavior in Starbucks Manado Town Square partially.
3. To find out the influence of brand association on consumer buying behavior in Starbucks Town Square Manado partially.
4. To find out the influence of perceived quality on consumer buying behavior in Starbucks Manado Town Square partially.
5. To find out the influence of brand loyalty on consumer buying behavior in Starbucks Manado Town Square partially.
THEORETICAL FRAMEWORK

Consumer Buying Behavior

Consumer behavior is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires (Solomon et al., 2006:6). Consumer buying behavior is a component of consumer behavior. It is defined as the buying behavior of final consumers, individuals and households who purchase products and services for self-consumption (Kotler and Armstrong, 2012:133). In other words, consumer buying behavior is a purchasing activity that involves individuals to fulfill their needs and wants.

Brand Equity

Kotler and Keller (2013:265) defined brand equity as the added value endowed on products and services. It may be reflected in the way consumers think, feel, and act with respect to the brand, as well as in the prices, market share, and profitability the brand commands. While according to Aaker (1991:15), brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and or to that firm’s customers. Both definitions complement each other, but the main idea of them is emphasizing in brand equity as the value-added of something that companies get from brands.

Brand Awareness

Brand awareness is defined by Aaker (1991:61) as the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category. Consumers need to be aware of a product so it can trigger them to do the purchasing activity. Consumers will not purchase the product of a brand, if the brand is unrecognizable or unknown to public. There are few stages of assessing the importance of brand awareness in consumer mind, which are recognition, recall, top of mind, brand dominance, and brand knowledge (Aaker, 1991:62). Brand awareness is the first step to create brand equity. If consumers are not aware of the products first, then it is likely to be impossible to experience the rest elements of brand equity.

Brand Association

Brand association is described as anything linked in memory to a brand and the meaning of the brand for consumers (Aaker, 1991:112). Brand association consists of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand node (Kotler and Keller, 2012:164). Brand association influences consumer buying behavior. For instance, if a consumer has high spending money attitude, or high life class, they will prefer to purchase products that can give them the prestige feelings.

Perceived Quality

Aaker and Jacobson (1994) defined perceived quality as the consumer’s perception about a brand’s overall excellence or superiority with respect to its intended purpose, relative to alternatives. There are several elements to be considered in order to analyze and measure perceived quality, which are: reliability, serviceability, appearance, performance, and durability (Parasuraman et al, 1985). That is why perceived quality can be defined as overall customer satisfaction towards the quality of goods and services which is received from the companies.

Brand Loyalty

Rangkuti (2009:60) defined brand loyalty as a measurement of customer loyalty towards a brand, because loyalty is the main important part of brand equity because it is always been the central idea in marketing. Aaker (1991:57) stated that the liking of a brand and commitment can be used to measure brand loyalty. Brand loyalty is important because it can result in consumer’s attitude of purchasing products from their favorite brands repeatedly, indicating their trust in the companies or brands.
Conceptual Framework

**Research Hypothesis**

- **H₁**: Brand awareness, brand association, perceived quality, and brand loyalty have influence on consumer buying behavior in Starbucks Manado Town Square simultaneously.
- **H₂**: Brand awareness has influence on consumer buying behavior in Starbucks Manado Town Square partially.
- **H₃**: Brand association has influence on consumer buying behavior in Starbuck Manado Town Square partially.
- **H₄**: Perceived quality has influence on consumer buying behavior in Starbucks Manado Town Square partially.
- **H₅**: Brand loyalty has influence on consumer buying behavior in Starbucks Manado Town Square partially.

**RESEARCH METHOD**

**Type of Research**

This research is a causal type of research where it will investigate the influence of elements on consumer perception. Causal analysis examines the causes and effects of an event or series of event, condition, or action. In other word, causal analysis is used to determine why an incident happens.

**Place and Time of Research**

The study is conducted in Manado, from February-March 2016.

**Population and Sample**

Population is generalized to the object or subject which has a certain quantity and characteristic that is required by researcher to studying and to gain conclusion (Sugiyono, 2005:90). Population of this research is the consumers of Starbucks Manado Town Square. Total number of samples is 100 respondents. The sampling design is convenience sampling. Convenience sampling is the sampling that selects its respondents because of their availability at that time. This sampling method is the best way to collect the data due to the time limitation, and also because the respondents are available at the time.

**Data Collection Method**

Primary data is data originated by the researcher specifically to address the research problem. The researcher gets primary data from the result of questionnaires. Questionnaires are distributed to respondents of Starbucks Manado Town Square.

**Definitions of Research Variables**
1. Brand Awareness (X1) is consumers’ familiarity or overall knowledge about Starbucks brand.
2. Brand Association (X2) is consumers’ memory of Starbucks brand, or anything in consumers’ mind that are linked to the brand.
3. Perceived Quality (X3) is consumers’ perception and opinion of the overall quality of Starbucks brand and products.
4. Brand Loyalty (X4) is consumers’ faithfulness towards Starbucks brand which is shown through their repeatedly purchase of Starbucks products.
5. Consumer Buying Behavior (Y) is consumers’ attitude of purchasing Starbucks products.

Measurement of Research Variables
These research variables will be measured using Likert scale as a widely used rating scale that requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements about the stimulus objects.

Data Analysis Method

Validity and Reliability Test
Pearson Correlation is used to analyze the validity of the results. An instrument measure is valid if that instrument measures what should be measured. If r ≥ 0.30 the instrument is valid and on the opposite, when r ≤0.30, the instrument is not valid (Singarimbun, 1995:124). Reliability is measured using Cronbach’s Alpha coefficient. The value of Cronbach Alpha is accepted if the value is greater or equal to 0.7.

Multiple Regression Analysis
Multiple linear regressions is a statistical method used to form a model of the relationship between the dependent variable with more than one independent variables. The equation is:

\[ Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e \]

Where:
- \( Y \) = Consumer Buying Behavior
- \( X_1 \) = Brand Awareness
- \( X_2 \) = Brand Association
- \( X_3 \) = Perceived Quality
- \( X_4 \) = Brand Loyalty
- \( \alpha \) = Constant
- \( b_1, b_2, b_3, b_4 \) = the regression coefficient of each variable
- \( e \) = error

RESULT AND DISCUSSION

Result

Validity Test
The purpose of validity test is to know whether the instrument is valid or not. It has been identified if the correlation coefficient between the value of one indicator and the total value of all indicators is positive and more than 0.3 (r ≥ 0.3) and below the significant level of 5% then the instrument is considered as valid.

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1_1</td>
<td>.561*</td>
<td>Valid</td>
</tr>
<tr>
<td>X1_2</td>
<td>.704**</td>
<td>Valid</td>
</tr>
<tr>
<td>X1_3</td>
<td>.570**</td>
<td>Valid</td>
</tr>
<tr>
<td>X1_4</td>
<td>.800**</td>
<td>Valid</td>
</tr>
<tr>
<td>X1_5</td>
<td>.783**</td>
<td>Valid</td>
</tr>
<tr>
<td>X2_1</td>
<td>.635**</td>
<td>Valid</td>
</tr>
<tr>
<td>X2_2</td>
<td>.570**</td>
<td>Valid</td>
</tr>
<tr>
<td>X2_3</td>
<td>.711**</td>
<td>Valid</td>
</tr>
</tbody>
</table>
Table 1. Validity Test

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.5</td>
<td>.601</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X1.1</td>
<td>.574</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X1.2</td>
<td>.599</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X1.3</td>
<td>.775</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X1.4</td>
<td>.740</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X1.5</td>
<td>.737</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X2.1</td>
<td>.818</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X2.2</td>
<td>.672</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X2.3</td>
<td>.786</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X2.4</td>
<td>.834</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X2.5</td>
<td>.808</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X3.1</td>
<td>.665</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X3.2</td>
<td>.390</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X3.3</td>
<td>.424</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X3.4</td>
<td>.571</td>
<td><strong>Valid</strong></td>
</tr>
<tr>
<td>X3.5</td>
<td>.513</td>
<td><strong>Valid</strong></td>
</tr>
</tbody>
</table>

Source: Data processed, 2016

Table 2 shows that all the values of each indicator are greater than 0.3. Since the entire correlations index are greater than 0.3, therefore the data is considered valid.

Table 2. Reliability Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>.774</td>
<td>6</td>
</tr>
<tr>
<td>X2</td>
<td>.742</td>
<td>6</td>
</tr>
<tr>
<td>X3</td>
<td>.774</td>
<td>6</td>
</tr>
<tr>
<td>X4</td>
<td>.802</td>
<td>6</td>
</tr>
<tr>
<td>X5</td>
<td>.775</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Data processed, 2016

Table 3 shows that the Cronbach Alpha for X1 is 0.774, for X2 is 0.742, for X3 is 0.774, for X4 is 0.802, and for X5 is 0.775. Each variable shows that value of Cronbach Alpha is above 0.6 and it indicates that the data is acceptable or indicates good internal consistency. Therefore the research instrument is reliable.

Table 3. Multiple Regression Output

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-2.397</td>
<td>1.574</td>
<td>-1.523</td>
</tr>
<tr>
<td></td>
<td>X1</td>
<td>.522</td>
<td>.084</td>
<td>.469</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>.046</td>
<td>.071</td>
<td>.040</td>
</tr>
<tr>
<td></td>
<td>X3</td>
<td>.283</td>
<td>.086</td>
<td>.237</td>
</tr>
<tr>
<td></td>
<td>X4</td>
<td>.224</td>
<td>.058</td>
<td>.270</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer Buying Behavior

Source: Data processed, 2016

The equation of the result is \( Y = -2.397 + 0.522X_1 + 0.046X_2 + 0.283X_3 + 0.224X_4 + e \)
- Constant -2.397 shows the influence of Brand Awareness ($X_1$), Brand Association ($X_2$), Perceived Quality ($X_3$), and Brand loyalty ($X_4$) on Consumer Buying Behavior ($Y$). It means that if all independent variables are constant (zero), Consumer Buying Behavior ($Y$) as dependent variable is predicted to be -2.397.
- The coefficient value of 0.522 means that if there is one unit increase in Brand Awareness ($X_1$) then the Consumer Buying Behavior ($Y$) will increase 0.522 assuming that other variables are constant.
- The coefficient value of 0.046 means that if there is one unit increase in Brand Association ($X_2$) then the Consumer Buying Behavior ($Y$) will increase 0.046 assuming that other variables are constant.
- The coefficient value of 0.283 means that if there is one unit increase in Perceived Quality ($X_3$) then the Consumer Buying Behavior ($Y$) will increase 0.283 assuming that other variables are constant.
- The coefficient value of 0.224 means that if there is one unit increase in Brand loyalty ($X_4$) then the Consumer Buying Behavior ($Y$) will increase 0.224 assuming that other variables are constant.

Result of $R$ and $R^2$

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R$ Square</th>
<th>Adjusted $R$ Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.839</td>
<td>.703</td>
<td>.691</td>
</tr>
</tbody>
</table>

*Source: Data processed, 2016*

The value of $R$ is 0.839 indicating a strong positive relationship between independent and dependent variable. The value of $R^2$ is 0.703, means that Brand Awareness, Brand Association, Perceived Quality, Brand Loyalty influence Consumer Buying Behavior as dependent variables as much as 70.3% while the rest 29.7% is other factors which is not included in this research.

Classical Assumptions Test

Heteroscedasticity

![Heteroscedasticity Test Output](source: Data processed, 2016)

The pattern of the dots are spreading around above and below 0 (zero) in the Y axis. This is proved that there is no heteroscedasticity in this regression model.

Multicollinearity

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
</tr>
<tr>
<td>$X_1$</td>
<td>.552</td>
</tr>
<tr>
<td>$X_2$</td>
<td>.813</td>
</tr>
<tr>
<td>$X_3$</td>
<td>.603</td>
</tr>
<tr>
<td>$X_4$</td>
<td>.645</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: Consumer_Buying_Behaviour*

*Source: Data processed, 2016*
The tolerance value of Brand Awareness ($X_1$) is 0.552, Brand Association ($X_2$) is 0.813, Perceived Quality ($X_3$) is 0.603, and Brand Loyalty ($X_4$) is 0.645. It means that the tolerance value of variable is more than 0.2. The VIF value of Brand Awareness ($X_1$) is 1.813, Brand Association ($X_2$) is 1.230, Perceived Quality ($X_3$) is 1.657, and Brand Loyalty ($X_4$) is 1.550. It means that the VIF value is less than 10. Since all the tolerance values are more than 0.2 and VIF values are less than 10, this research is free from multicollinearity.

**Normality**

![Figure 3. Normality Test Output](image)

Normality test can be identified by using graph of P-P plot. The result shows that the dots are spreading near the diagonal line and following the direction of the diagonal line. Therefore, the model is passing the normality test.

**Hypothesis Testing**

**F-test**

**Table 5. Simultaneous Test (F-test Output)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>806.616</td>
<td>4</td>
<td>201.654</td>
<td>56.296</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>340.294</td>
<td>95</td>
<td>3.582</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1146.910</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Consumer_Buying_Behaviour  
b. Predictors: (Constant), Brand_Awareness, Brand_Association, Perceived_Quality, Brand_Loyalty

*Source: Data processed, 2016*

Table 5, the value of $F_{count}$ is 56.296, the degree of freedom 1 (numerator) is 2 and degree of freedom 2 (denumerator) is 95 with level of significance is 0.05 ($\alpha = 0.05$) and the level of confidence is 95% then $F_{table}$ is 2.53. The result is $F_{count}$ (56.296) $\geq F_{table}$ (2.53). Since $F_{count}$ is greater than $F_{table}$, $H_0$ is rejected and $H_1$ is accepted means the independent variables simultaneously influence the dependent variable. Therefore, hypothesis 1 is accepted.

**t-test**

**Table 6. Partial Test (t-test Result)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sig.</th>
<th>$t_{count}$</th>
<th>$t_{table}$</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$X_1$</td>
<td>.000</td>
<td>6.233</td>
<td>1.99</td>
<td>Accepted</td>
</tr>
<tr>
<td>$X_2$</td>
<td>.518</td>
<td>0.649</td>
<td>1.99</td>
<td>Rejected</td>
</tr>
<tr>
<td>$X_3$</td>
<td>.001</td>
<td>3.291</td>
<td>1.99</td>
<td>Accepted</td>
</tr>
<tr>
<td>$X_4$</td>
<td>.000</td>
<td>3.888</td>
<td>1.99</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

*Source: Data processed, 2016*

1. Brand Awareness ($X_1$) and Consumer Buying Behavior (Y)
For $X_1$, $t_{count} = 6.233$ and $t_{table} = 1.99$. Since $t_{count} > t_{table}$, then $H_1$ is rejected and $H_1$ is accepted. It means that Brand Awareness ($X_1$) has significant and positive partial influence on Consumer Buying Behavior.

2. Brand Association ($X_2$) and Consumer Buying Behavior ($Y$)
   For $X_2$, $t_{count} = 0.649$ and $t_{table} = 1.99$. Since $t_{count} < t_{table}$, then $H_2$ is accepted and $H_2$ is rejected. It means that Brand Association ($X_2$) has no significant and positive partial influence on Consumer Buying Behavior.

3. Perceived Quality ($X_3$) and Consumer Buying Behavior ($Y$)
   For $X_3$, $t_{count} = 3.291$ and $t_{table} = 1.99$. Since $t_{count} > t_{table}$, then $H_3$ is rejected and $H_3$ is accepted. It means that Perceived Quality ($X_3$) has significant and positive partial influence on Consumer Buying Behavior ($Y$).

4. Brand loyalty ($X_4$) and Consumer Buying Behavior ($Y$)
   For $X_4$, $t_{count} = 3.888$ and $t_{table} = 1.99$. Since $t_{count} > t_{table}$, then $H_4$ is rejected and $H_4$ is accepted. It means that Brand Loyalty ($X_4$) has significant and positive partial influence on Consumer Buying Behavior ($Y$).

**Discussion**

Brand equity is important for a company, since it’s the value-added that brand equity is important for a company, since it’s the value-added that a company gets from a brand. Those values could trigger the consumers to purchase that company’s products despite of its premium prices. Starbucks is one of many brands that have high brand equity in the world. Its popularity is also shown in its outlet in Manado Town Square. According to Aaker (1991), there are four dimensions of Brand Equity, which are used in this research as variables to measure the brand equity of Starbucks Manado Town Square. They are brand awareness, brand association, perceived quality, and brand loyalty that can influence the consumer buying behavior. This study is expected to show the result of investigation of the effect of Brand Equity, with Brand Awareness, Brand Association, Perceived Quality, and Brand Loyalty as independent variables, on Consumer Buying Behavior as dependent variables.

The result of this research indicates that by using $F_{test}$, to do the hypothesis testing, it is shown that all the independent variables influence the dependent variable simultaneously. For that reason, $H1$ is accepted. Brand awareness has influence on consumer buying behavior in Starbucks Manado Town Square partially. Therefore, $H2$ is accepted. Brand awareness is the first step of building brand equity, because people will not have any further relationship with the brands without being aware of the brands first. High level of brand awareness can make the products likely to be more purchased. Despite of being a new coffee shop in Manado, apparently the consumers are already familiar with Starbucks because it has high brand equity. Another reason is the consumers, in this case the respondents, might have visited Starbucks in other places before, since Starbucks outlets have been existed in other major cities in Indonesia for quite a long time.

Perceived quality has influence on consumer buying behavior in Starbucks Manado Town Square partially. Therefore, $H4$ is accepted. In terms of service reliability, consumers are satisfied with the baristas’ agility. The consumers must not wait too long. Starbucks has a lot of consumers so baristas must be trained to make the coffee quickly. The quality is about the service and products. If Starbucks does not have good overall quality, then people will not buy the products because the price will not be worth the quality. Brand loyalty also has influence on consumer buying behavior in Starbucks Manado Town Square partially. Therefore, $H5$ is accepted. Even though the hypothesis is accepted, but the dominant choices for every statement which were used to measure Brand Loyalty through questionnaire are “Not Agree” and “Neutral”. But the final result shows that the hypothesis is accepted. So it shows that Starbucks is consumers’ primary choice when consumers want to go to a coffee shop. Visiting Starbucks has already become the daily routine for consumers. Their loyalty can be seen through their commitment and how they invite and suggest people to go to Starbucks.

However, there is one variable that has no influence on consumer buying behavior in Starbucks Manado Towns Square partially which is brand association. Therefore, $H3$ is rejected. Most of respondents give positive answers towards the statements of perceived quality in the questionnaire. But the result shows the opposite, meaning that consumers’ experience and thoughts with/about Starbucks is not enough to influence their buying behavior. Even though Starbucks has strong brand image, it is also not enough to associate consumers’ mind to the brand itself.

Previous researches by Fouladhivanda, et al. (2013) and Winatapradja (2013) indicate that all the variables have influence on consumer buying behavior or purchase decision, different from the result of this study that the hypothesis brand association influences consumer buying behavior is rejected. For the first research, it can be caused by the different time and place of research. Each country has its own culture so the
consumer behavior is tend to be different. For the second one, the object of research is similar but different. So if the result is different it might be caused by consumers having different reaction on the product differences.

Conclusion

Based on the analysis and discussion, the conclusion can be formulated:

1. All the independent variables of brand equity which are brand awareness, brand association, perceived quality, and brand loyalty have influence simultaneously on consumer buying behavior in Starbucks Manado Town Square.
2. Brand Awareness has significant and positive influence partially on consumer buying behavior in Starbucks Manado Town Square.
3. Brand Association has no significant and positive influence partially on consumer buying behavior in Starbucks Manado Town Square.
4. Perceived Quality has significant and positive influence partially on consumer buying behavior in Starbucks Manado Town Square.
5. Brand Loyalty has significant and positive influence partially on consumer buying behavior in Starbucks Manado Town Square.

Recommendation

Based on the findings and conclusion of this research, the recommendation will be as follow:

1. The result shows that Brand Awareness, Perceived Quality, and Brand Loyalty have influence on Consumer Buying Behavior in Manado Town Square. Therefore, it is recommended for the management to keep on improving, so Starbucks brand can be at the level of top-of-mind awareness in consumers’ mind. Since there are competitors that sell similar products nowadays, the company should maintain the consistency of the product quality to reduce the possibility of consumers seeking alternative products in other similar companies. The company should maintain the membership rewards that can influence the brand loyalty.
2. The result also shows that there is one variable that does not have influence on Consumer Buying Behavior in Starbucks Manado Town Square, which is Brand Association. Therefore, Starbucks must be able to deliver a different the brand-related experiences and images, and to strengthen the brand’s position itself in consumers’ mind, so consumers will not think of Starbucks as the same coffee shops with its fellow competitors, meaning that the word “coffee” alone and the atmosphere of its place are not enough to associate consumers with Starbucks brand. Researcher also suggests that there should also be one or more than one product with unique name or taste that can associate consumers with Starbucks itself, since there are also other modern coffee shops in Manado.

REFERENCE


